

1   **Q.    Please provide the estimated rate impact if the switch to .5% sulphur**  
2       **fuel oil were undertaken.**

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5   **A.    The latest fuel forecast (CA 1 NLH) shows that the price difference between**  
6       2.0% sulphur fuel and 0.5% sulphur fuel is approximately \$6 per barrel.

7       Estimated rate impacts for an increase of \$6 per barrel would result in an

8       approximate 2% increase in rates to Newfoundland Power's and Hydro's

9       (non-Labrador Interconnected) residential and general service customers

10      and an approximate 4.5% to 5% increase to Hydro's Island Industrial

11      customers.