

1 Q. When does NLH propose to begin purchasing the 1% sulphur fuel? Please  
2 set out all significant timelines including when contracts will be formed,  
3 shipments ordered shipments delivered?  
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7 A. Hydro's fuel supply contract enables Hydro to specify the sulphur content of  
8 the fuel in a range between 1.0 and 2.2%. Therefore, no change in  
9 contractual arrangements is required.

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11 Hydro ordered its first shipment of 1% sulphur fuel on January 8 for delivery  
12 on February 8. The supplier requested an earlier delivery to which Hydro  
13 agreed. This shipment of 288,000 barrels was received on January 26. The  
14 price for the shipment has not yet been determined because it is based on  
15 the average market price for February.

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17 A second shipment of 1% sulphur content fuel was ordered on February 15  
18 for delivery on March 15.

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20 At the current output level at the Holyrood plant, the inventory of 2% sulphur  
21 content fuel is expected to be depleted by mid-April, at which time the plant  
will start to use 1% sulphur content fuel.