

1 Q. Hydro in its Compliance Filing updated the No. 6 fuel price from \$92.50/bbl in its October
2 2018 filing to \$105.90/bbl. Hydro on page 19, in footnote 73 notes that “in the
3 “Supplemental Settlement Agreement,” dated July 16, 2018, at p. 4, para. 19, the Parties
4 agreed “. . . that the 2019 Test Year cost of No. 6 fuel to be used in Hydro’s 2017 GRA
5 Compliance filing shall be set based on the most current fuel rider forecast (either March or
6 September).” The most current fuel rider forecast on the public record was submitted to
7 the Board in a letter entitled “Rate Stabilization Plan Fuel Price Projection Update” dated
8 April 12, 2019.

9

10 Please provide Hydro’s most current 12-month fuel price forecast, and please advise as to
11 when Hydro expects to obtain its next 12-month fuel price forecast.

12

13

14 A. In accordance with Section C of the Rate Stabilization Plan,¹ Newfoundland and Labrador
15 Hydro prepares two No. 6 fuel price forecasts in March and September of each year. A copy
16 of Newfoundland and Labrador Hydro’s March 2019 fuel price forecast, calculated in
17 accordance with Section C of the Rate Stabilization Plan Rules, is included in Table 1.

¹ Newfoundland and Labrador Hydro, “Schedule of Rates, Rules and Regulations,” updated on May 23, 2019.

Table 1: March 2019 No. 6 Fuel Price Forecast

Month	No. 6 Fuel Price US\$/bbl	Contract Premium US\$/bbl	Forecast Landed Price US\$/bbl
July 2019	\$67.31	\$4.13	\$71.44
August 2019	\$65.50	\$4.13	\$69.63
September 2019	\$63.98	\$4.13	\$68.11
October 2019	\$65.61	\$4.13	\$69.74
November 2019	\$69.80	\$4.13	\$73.93
December 2019	\$74.14	\$4.13	\$78.27
January 2020	\$83.93	\$4.13	\$88.06
February 2020	\$83.52	\$4.13	\$87.65
March 2020	\$82.80	\$4.13	\$86.93
April 2020	\$81.85	\$4.13	\$85.98
May 2020	\$81.36	\$4.13	\$85.49
June 2020	\$81.36	\$4.13	\$85.49
Forecast Average Landed Price			\$79.23
March 2019 Average FX Rate			1.3368
Fuel Price Projection (CDN\$/bbl)			\$105.90

- 1 The most recent No. 6 Fuel Price forecast available is from July 2019 and is provided in
2 Table 2.

Table 2: July 2019 No. 6 Fuel Price Forecast

Month	Forecast Landed Price ² CAD\$/bbl
July 2019	\$98.70
August 2019	\$98.30
September 2019	\$102.40
October 2019	\$101.10
November 2019	\$104.60
December 2019	\$107.50
January 2020	\$117.10
February 2020	\$116.90
March 2020	\$120.60
April 2020	\$120.00
May 2020	\$116.60
June 2020	\$112.50
Forecast Average Landed Price	\$109.70

² Forecast Landed Price includes the fuel premium and foreign exchange.

1 The most recent fuel price forecast available shows an average landed price of \$109.70,
2 \$3.80 higher than the fuel price forecast of \$105.90 reflected in the “2017 GRA Compliance
3 Application.”