

- 1 Q. Please provide for the period 2007 through 2012 the current and forecast cost of
2 supply to the Industrial Customers and Hydro's other customers based on:
3 (a) Embedded cost of service; and
4 (b) Marginal cost of service.
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- 7 A. The embedded and marginal energy costs for 2007 through 2012 are provided in
8 the attached schedules.

NEWFOUNDLAND & LABRADOR HYDRO
Island Interconnected Embedded Energy Cost (2007-2012)

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	2007 actual	2008 actual	2009 forecast	2010 forecast	2011 forecast	2012 forecast
Energy Sales kWh						
Newfoundland Power (incl Secondary)	4,990,718,593	4,959,752,852	5,134,090,199	5,287,300,000	5,395,500,000	5,547,800,000
Industrial customers (incl non-firm)	785,180,567	695,328,513	418,194,458	558,900,000	578,900,000	802,600,000
Rural Bulk (island)	400,018,423	411,682,211	412,397,596	412,800,000	416,500,000	424,200,000
Total Energy Sales kWh	6,175,917,583	6,066,763,576	5,964,682,253	6,259,000,000	6,390,900,000	6,774,600,000
Energy Costs \$						
2007 Forecast Energy Costs						
excluding No. 6 Fuel	91,039,296	91,039,296	91,039,296	91,039,296	91,039,296	91,039,296
No. 6 Fuel Cost	107,369,079	123,753,782	81,119,674	158,579,433	197,188,664	232,385,149
Total Energy Costs \$	198,408,375	214,793,078	172,158,970	249,618,729	288,227,960	323,424,445
Energy cost/ Energy Sales \$/kWh	0.03213	0.03540	0.02886	0.03988	0.04510	0.04774

Notes:

1. Energy sales for 2007 and 2008 based on actual energy sales.
2. Energy sales for 2009-2012 based on the load forecast dated May 21, 2009.
3. No. 6 Fuel Costs for 2007 and 2008 based on actual Hydro fuel consumption costs.
4. No. 6 Fuel Costs for 2009-2012 based on the Thermal Fuel price forecast for 0.7% sulphur fuel, June 10, 2009.
5. 2007 Forecast Energy Costs excluding No. 6 Fuel based on the 2007 Test Year Cost of Service, as Cost of Service Studies are not available for all subsequent years.

NEWFOUNDLAND & LABRADOR HYDRO
Island Interconnected Marginal Energy Cost (2007-2012)

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(Dollars per kWh)

2007	\$0.083
2008	\$0.112
2009	\$0.096
2010	\$0.115
2011	\$0.138
2012	\$0.137

- Notes:
1. Marginal cost based on NERA Economic Consulting marginal cost model.
 2. Costs for 2007 and 2008 based on actual NLH fuel consumption costs.
 3. Costs for 2009-2012 based on Nalcor Energy\NLH Thermal Fuel price forecast for 0.7% sulphur fuel, June 10, 2009.