

1 Q. Reference: The Application, page 4, Paragraph 11

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3 *"The forecast purchase price for No. 6 fuel for 2016 provided to the Board on*
4 *October 15, 2015 for use in estimating the 2016 IIC fuel rider was approximately \$69*
5 *per barrel (\$CDN)."*

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7 Does Hydro plan to update the 2015 Test Year forecast purchase price for No. 6 fuel
8 in its Amended General Rate Application to reflect the current forecast of
9 approximately \$69 per barrel (\$CDN) referenced in this Application? If so, when?

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12 A. The IIC Interim Rates Application proposes to implement interim base IIC rates that
13 reflect a No. 6 fuel cost of \$64.41 per barrel (\$Cdn) for the 2015 Test Year in the IIC
14 base energy rate. The forecast fuel cost of \$64.41 per barrel (\$Cdn) is based on the
15 No. 6 fuel price forecast provided to the Board on October 15, 2015. The proposed
16 IIC demand charge is consistent with the proposed demand charge in the Amended
17 Application.

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19 Hydro believes it is appropriate for the Board to update the 2015 Test Year forecast
20 in determination of final customer rates. If, in the final Board Order on the GRA, the
21 Board approves the forecast No. 6 fuel cost for 2016 of \$64.41 per barrel (\$Cdn) as
22 the 2015 Test Year fuel cost to be used in establishing final customer rates, Hydro
23 will use this fuel cost in determining the 2015 Test Year revenue requirement in its
24 compliance filing.