

1 Q. Hydro's Table 3.6 shows Fuel increasing by \$25,011 from 2007 (\$25,874) to 2013
2 (\$50,885). CA-NLH-127 shows an opening balance for 2013 fuel of \$26,890 and an
3 average value of \$50,885. What are the driver(s) of fuel that would propel almost a
4 100% increase from 2007 and from the opening balance of 2013?

5

6

7 A. The primary driver for the increase in fuel average from 2007 (\$25,874) to 2013
8 (\$50,885) is the cost of No. 6 fuel used in Holyrood which as outlined in Schedule V
9 of the Regulated Activities evidence, has increased from \$56.86/bbl in 2007 to
10 \$108.11/bbl in the 2013 Test Year.

11

12 The increase from opening 2013 (\$26,890) to average 2013 (\$50,885) is primarily
13 driven by fuel inventories, which were lower at opening 2013, due to a delay in the
14 shipment of Bunker C fuel. This shipment, valued at \$21,929,129 USD (221,080
15 barrels), was received January 4, 2013.