Q. Hydro has reported 2012 Fuel on Finance Schedule 1 Page 5 of 11 as $50,308 and 2013 Fuel as $50,885. Both years show considerable increase over previous years. Using the average cost per litre as found on Table 4.8 one can determine an estimated value for average litres of fuel in storage. Based on the following it would appear that fuel capacity storage has increased by about 10,000 litres. Is this a reasonable assumption to explain the increase in fuel included in rate base? Please identify where storage facilities were constructed. If Storage capacity has not changed please provide explanation for the significant increase in 2012 and 2013.

	2007	2008	2009	2010	2011	2012	2013
Fuel(per Finance Schedule1 Page 5 of 11) (212 of 258)	$25,874	$34,389	$20,817	$29,908	$33,680	$50,308	$50,885
Average Cost per Litre (Section 4: Rates and Regulation Table 4.8 Page 4.24) (246 of 258)	0. 74415	0.99913	0.83102	0.85506	1.02919	1.07926	1.12417
Average Litres	34,770	34,419	25,050	34,978	32,725	46,613	45,265

A. The assumption made in this question is not correct as it assumes that the costs are related only to diesel fuel whereas they include all fuels (in $000). Holyrood is the main contributor to these fuel costs, and the price per barrel of No. 6 fuel, as outlined in Schedule V of the Regulated Activities evidence, has increased from $56.86/bbl in 2007 to $108.11/bbl in the 2013 Test Year.