

1     **Q.     2013 General Rate Application, Cost of Service**

2             Exhibit 13, Schedule 2.1A - The expenses listed on lines numbers 3 (Fuels-Diesel)  
3             and 4 (Fuels Gas Turbine) are allocated only as Production Demand. Provide a  
4             detailed description of these expenses, and explain why they should be allocated  
5             only on the basis of demand.

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8     **A.**     The fuel expenses on Lines 3 and 4 are the fuel expenses for 2013 forecast to be  
9             used on the Island Interconnected diesel plants at St. Anthony and Hawkes Bay, and  
10            at the Hardwoods and Stephenville gas turbine plants. Please refer to Schedule V of  
11            the Regulated Activities Evidence.

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13            Please see Hydro's response to PUB-NLH-113 for the explanation of the  
14            classification of this fuel to demand.