

October 6, 2015 Undertaking

**Check whether Hydro can update the 2016/2017 forecast for the Rural Deficit if it makes changes only for the fuel price forecast.**

For the year 2016 and based on Hydro's most recent fuel price forecasts, Hydro's estimate of the Rural Deficit is \$58.9 million. This represents a decrease of \$2.5 million from the earlier estimate of \$61.4 million provided in CA-NLH-207 (Rev 2, Oct 5-15), Attachment 1. It is noted that both No. 6 and No. 2 fuel price forecasts for 2016 have declined from those used in earlier Rural Deficit projections.

For the year 2017 and based on Hydro's most recent fuel price forecasts, Hydro's estimate of the Rural Deficit is \$61.2 million. This represents an increase of \$1.8 million from the earlier estimate of \$59.4 million provided in CA-NLH-207 (Rev 2, Oct 5-15), Attachment 1. While the No. 6 price forecast has declined from that used in earlier Rural Deficit projections, the forecast price of No. 2 fuel is higher than that used in the previous estimate of the Rural Deficit.