

1 **Volume 1, Section 2 – Customer Operations**
23 **Q. Please provide marginal production costs for each of NP’s thermal generating units**
4 **in cents/kWh.**
56 A. Newfoundland Power’s thermal generating units consist of three gas turbines and four
7 diesel generators. Table 1 below provides the marginal production costs, or short-run
8 incremental costs, for each unit. The marginal production costs are calculated with
9 reference to the efficiency of each unit and the current cost of fuel.¹
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Table 1
Marginal Production Costs

Thermal Unit	Capacity MW	Efficiency kWh/l	Fuel Price \$/l	Marginal Cost ¢/kWh
Greenhill Gas Turbine	20.0	2.672	0.6290	23.5
Mobile Gas Turbine	6.5	2.019	0.6290	31.2
Wesleyville Gas Turbine	10.0	1.767	0.6290	35.6
Port Aux Basques Diesel	2.5	3.674	0.6454	17.6
Port Union Diesel	0.5	3.042	0.6454	21.2
Trepassey Diesel	1.5	3.917	0.6454	16.5
Portable Diesel MD #3	2.5	4.335	0.6454	14.9

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¹ The efficiency values are calculated based on usage of the thermal units in January 2006. At that time, the units were loaded close to their capacity ratings for significant periods. The fuel price is based on Newfoundland Power records for May 2007.