

1 Q. (Reference 2017 GRA Volume I, page 4.4 – 4.5) When were the forecast prices for
2 2018 and 2019 No. 6 fuel and diesel fuel prepared? How would they be affected by
3 the appreciation of the Canadian dollar between May and September of 2017?
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7 A. The forecast fuel prices for 2018 and 2019 used by Hydro to determine No. 6 fuel
8 and diesel fuel costs as provided in Table 4-3 on page 4.4, Chapter 4, Volume I, were
9 prepared by Hydro in March 2017.

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11 Hydro uses a Canada-US exchange forecast that is updated monthly. The latest
12 Canada-US exchange forecast is from October 2017 and incorporates the recent
13 appreciation of the Canadian dollar into the exchange outlook for 2018 and 2019.

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15 Applying the latest Canada-US exchange forecast to the US dollar No. 6 fuel price
16 forecast from March 2017 results in average annual fuel prices that are
17 approximately 8% lower in 2018 and 3% lower in 2019 compared to Hydro's price
18 forecast prepared in March.

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20 Applying the latest Canada-US exchange forecast to the US dollar diesel price
21 forecast from March 2017 results in average annual diesel prices that are
22 approximately 7% lower in 2018 and 3% lower in 2019 compared to Hydro's price
forecast prepared in March.