

1 Q. **Summary Report – Additional Cost of Service Information, Section 3.2.**

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3 Please provide the revised fuel costs for the Expected Supply Scenario for the 2019
4 Test Year in the same format as the Revised Fuel Costs for 2019 Test Year shown in
5 Appendix A, page 2 of 2.

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8 A. Appendix A, page 2 of 2 of Hydro’s Additional Cost of Service Information shows an
9 approximately \$68.7 million change in fuel costs between the Deferral Account
10 Scenario and the Revised Deferral Account Scenario. This change reflects changes in
11 fuel price only.

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13 Table 1 compares the fuel cost differences between the Revised Deferral Account
14 Scenario and the Expected Supply Scenario.

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16 Table 1 shows an approximate \$99.1 million change in fuel costs as a result of fuel
17 usage changes between the two scenarios. This fuel cost change is a result of off-
18 island purchases displacing fuel consumption at the Holyrood Generating Station
19 and gas turbines on the Island Interconnected System.¹

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21 The total fuel cost difference between the GRA filing (the Deferral Account
22 Scenario) and the Expected Supply Scenario is a reduction of approximately \$167.8
23 million, which reflects both reduced fuel price and reduced fuel usage.

¹ The Expected Supply Scenario also reflects an increase in supply costs of approximately \$58.5 million related to off-island purchases. See Appendix I, 2019 Expected Supply Test Year Cost of Service Study, Schedule 1.1, page 1 of 2. The difference between the fuel cost savings of \$99.1 million under the Expected Supply Scenario and the increased off-island supply costs of \$58.5 million (approximately \$40 million) is reflected in the proposed Off-Island Deferral Account under the Revised Deferral Account Scenario.

Table 1: 2019 Test Year Fuel Cost Differences

	Revised Deferral Account Scenario	Expected Supply Scenario	Change
<u>No. 6 Fuel Cost</u>			
Number of Barrels ('000 bbls)	2,534	1,101	
Average Cost per Barrel (\$/bbl) ²	63.62	63.81	
Holyrood Thermal Generating Station (\$000)	161,207	70,255	(90,952)
<u>Gas Turbine Fuel Costs</u>			
Volume ('000 gallons)	2,982	447	
Average Cost per gallon (\$/GAL)	3.24	3.35	
Production (\$000)	9,651	1,499	(8,152)
<u>Isolated Systems - Production Costs</u>			
Volume ('000 litres)	16,991	16,991	
Average Cost per litre (\$/L)	0.95	0.95	
Diesel Production (\$000)	16,161	16,161	-
<u>Other Diesel Fuel Costs</u>			
Volume ('000 gallons)	38	38	
Average Cost per gallon (\$/GAL)	4.37	4.37	
Production (\$000)	131	131	-
<u>Isolated Systems - Power Purchases</u>			
Purchases ('000 kWh)	26,191	26,191	
Average Cost per kWh (\$/kWh)	0.11	0.11	
Total Isolated Power Purchases	2,861	2,861	-
Total	190,011	90,907	(99,104)

² Change in average cost per unit between Revised Deferral Account Scenario and Expected Supply Scenario reflects the inventory impact of reduced consumption in the Expected Supply Scenario.