

1 Q. **Reference: Study, section 3, page 13, table 4**

2 Preamble:

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4 The fuel price forecast in Table 4 is largely above market prices and IOC's forecast. Diesel
5 delivered in Labrador in 2019 is estimated by IOC between \$1 and 1.05 per liter.

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7 Please explain how the fuel price forecast was obtained or determined by NLH.

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10 A. Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to IOC-NLH-013
11 and note that the fuel price forecast assumed Hydro would be required to pay carbon
12 costs. Hydro assumed the carbon costs would be 5.4 cents per litre beginning in 2019 and
13 increasing to 13.4 cents per litre in 2022.