

1 Q. Does Nalcor intend to rely solely upon PIRA's thermal fuel oil price forecasts for the
2 purposes of DG-3?

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5 A. NL Hydro has used PIRA since 1999 for its fuel price forecasts for No. 6 fuel oil and
6 diesel fuel. These forecasts are used to develop reference thermal fuel price
7 forecasts for delivered fuel to the Avalon Peninsula. The thermal fuel price forecasts
8 based on PIRA's inputs have been used for setting fuel price riders, setting base
9 electricity rates and for longer term system planning purposes for the Island
10 system.

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12 For the purposes of Nalcor's DG-3 analysis, Nalcor expects to continue to rely on
13 PIRA's energy market analysis and related price forecasts.