

1 Q. For individual projects, does Hydro propose to follow an investment rule
2 consistent with its stated financial targets? What would that rule state
3 regarding the acceptable rate of return for an investment project?
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5 A. Hydro does not have investment rules for projects. Hydro performs cost
6 effectiveness analysis in support of decisions on large projects, such as new
7 generation. These studies examine the least cost method of supplying a
8 need. It is accepted that once a requirement is identified, e.g. additional
9 power and energy supply, it has to be met. The issue is least cost.