

- Q. On page 2, line 19, you state that you have been asked by Newfoundland Power to address, *inter alia*, inter-corporate charges.**
- (i) Have you reviewed Newfoundland Power’s policies and procedures pertaining to inter-corporate charges?**
 - (ii) Please provide a copy of Newfoundland Power’s practices and procedures in reference to the same.**
- A.
- (i) Along with Keith Boocock, Mr. Browne reviewed Newfoundland Power’s inter-corporate charges in 1996. Their work was summarized in a report that was titled “Newfoundland Light & Power Co. Limited, Report on Inter-corporate Charges” dated March 18, 1996. This report was subsequently submitted to the Board as part of Newfoundland Power’s 1996 general rate review.
 - (ii) In Newfoundland Power’s 1996 general rate review, the Board heard evidence on the issue of inter-corporate transactions. In P.U.7 (1996-97), the Board issued orders relating to inter-corporate charges. Newfoundland Power uses the guidance of P.U.7 (1996-97) in accounting for and reporting transactions with related entities. A copy of the pertinent pages (75 through 82) of the Order is attached for reference.

The Order referred to the Deloitte and Touche report referenced in response to CA- 188 (i). On page 81 of the Order, the Board accepted the guidance of the principles presented in the conclusions of the Deloitte and Touche Report. A copy of the conclusions from the report are attached.