

1 Q. Evidence of William E. Wells, Reference: Page 6, Line 27

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3 Provide a basis for the statement that the Government “has indicated that
4 Hydro has a role to play in support of Government policy....”

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7 A. The basis for the statement that the Government as shareholder has
8 indicated that Hydro has a role to play in support of Government policy or, as
9 an instrument of public policy, is predicated as noted in the Evidence of
10 W.E. Wells on his experience over 5 years. In the course of discussion with
11 Government representatives, and in particular the Minister of Mines &
12 Energy, the Government had clearly indicated that it reserves the right to act
13 on matters of general public policy in the energy field. An example would be
14 the direction received from Government with respect to meeting the
15 requirements for forecasted deficits in energy and capacity in 2003.
16 Government directed Hydro to deal with two large industrial corporations in
17 the Province as a means to secure a supply of capacity and energy. In
18 carrying out these activities, Hydro could be regarded as an instrument of
19 public policy and yet that role would not preclude or be inconsistent with the
20 fact, as stated in the Evidence, that Hydro operate as a fully regulated utility.