

1 Q. (a) Provide details of all capital and operating leases entered into by  
2 Hydro for the period 1992 to 2000 and forecast for 2001 and 2002 for  
3 which Board approval is required pursuant to Section 41 of the *Public*  
4 *Utilities Act*.

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6 (b) How does Hydro determine whether to buy or lease capital assets?  
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9 A. (a) Attached are the capital and operating leases entered into by Hydro.  
10 1997 was the first year that the Board approval was required pursuant  
11 to Section 41 of the Public Utilities Act.  
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13 (b) Where a leasing option is presented by a potential supplier, or  
14 requested by the Hydro Group, the requestor submits all necessary  
15 data regarding the leasing option to the Treasury Department. The  
16 Treasurer then performs lease versus purchase analysis to determine  
17 the most economic method of acquisition. There may be instances,  
18 when other considerations may factor into a lease or buy decision.  
19 For example, in cases of products experiencing rapid technological  
20 change, leasing may be advantageous to ensure Hydro retains the  
21 flexibility to upgrade to the most current technology.