

1 Q. Further to NP-13, (JCR, Schedule I):

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3 (a) provide details of advertising expense for the years 1992-2000;

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5 (b) provide explanation of "Communications Plan" advertising;

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7 (c) provide the justification for including a \$60,000 contribution for Bay
8 D'Espeir Street Lighting as part of regulated costs for 2002.

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11 A. (a) Please see attached schedules which were inadvertently omitted from
12 the response to NP-13(b).

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14 (b) One of the issues that is being dealt with by Hydro's Management is
15 that of internal and external communications. Good communication
16 with internal and external stakeholders is essential in the conduct of
17 business. Hydro is intent on ensuring that it has an effective
18 communications program which supports and contributes to the
19 overall success of its operations.

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21 (c) In a January, 1978 Report to the Board, H.R. Doane and Company,
22 the Board's auditors reviewed Hydro expenses and found that the
23 grants to the Town of Bay D'Espeir to cover streetlighting were
24 acceptable. Subsequently, the conclusion on page 54 of the Public
25 Utilities Board (PUB) report containing the recommendations on the
26 rates proposed by Newfoundland and Labrador Hydro in its March 6,
27 1989 referral states the following:

1 “The contribution towards street lighting in the Bay d’Espoir towns was
2 accepted as an expense years ago, partly because of the employees
3 of Hydro living in the area. It has been in place for a number of years
4 and the Board will not recommend it be disturbed.”

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6 Further, on page 55 of the same report, the PUB goes on to state that
7 “all... (charitable and other donations)... (with the exception of the
8 street lighting grant now in place in the Bay D’Espoir Area) be
9 removed from the cost of service...”.

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11 Historically, as outlined, the Bay d’Espoir street lighting contribution
12 has been accepted as a legitimate cost of business.