

- 1 Q. In reference to page 35 in the report of Grant Thornton, LLP on
2 Newfoundland & Labrador Hydro's 2001 General Rate Hearing, the 2002
3 transportation costs are based on 1999 actual plus 10%. Justify that the
4 10% amount as an appropriate estimate of cost increases expected to occur.
5
- 6 A. The 10% was applied only to the fuel costs and not to the overall
7 transportation expenses. This estimate was based on the most current
8 information on gas prices available to the Transportation Department at the
9 time.