

1 Q. In reference to page 32 in the report of Grant Thornton, LLP on  
2 Newfoundland & Labrador Hydro's 2001 General Rate Hearing, reference is  
3 made to Hydro's intention to reduce the Bishop's Falls inventory by writing off  
4 more obsolete items to make room for newer inventory. Provide an estimate  
5 of the total carrying value of obsolete items included in inventory.

6

7 A. Hydro's inventories are periodically reviewed for obsolete parts as major  
8 equipment, or components are replaced due to end of life cycle, changes in  
9 engineering standards, or technological change. The value of obsolete items  
10 remaining in inventory at this time is insignificant.