

1 Q. Further to NP-30, what recommendations contained in the Quetta Inc. and
2 Associates report have been adopted or undertaken by Hydro?

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4 A. All recommendations contained in the Quetta Inc. and Associates report
5 have been adopted or undertaken by Hydro except the following which were
6 not accepted by the Public Utilities Board:

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8 1) Recommendation #3 which recommended that Hydro be asked to
9 prepare a report on the Great Northern Peninsula transmission
10 system. The Board agreed that it was not necessary for Hydro to
11 prepare a specific report on this but that reliability statistics for the
12 area would continue to be monitored.

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14 2) Recommendation #5 which recommended that an Internal Audit
15 Report of the Customer Service system be provided. The Board
16 agreed that Internal Audit reports were intended to be for
17 Management, that the Board's financial consultants review these
18 reports and it is not necessary to provide copies of Internal Audit
19 reports to the Board.

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21 3) Recommendation #14 which recommended that the responsibilities of
22 the Manager of System Performance and Protection be stated
23 specifically in the System Protection update procedure. The Board
24 accepted Hydro's position that this was unnecessary.

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26 4) Recommendation #19 which related to fuse sizes on operating
27 diagrams for distribution lines. The Board accepted Hydro's position
28 on the matter that this recommendation was unnecessary.

1 5) Recommendation #24 which recommended that Hydro file its Internal
2 Audit Plan annually with the Board and that Internal Audit reports be
3 referred for further analysis to the Board. The Board agreed with
4 Hydro that this was not necessary for the reasons set out with respect
5 to Recommendation #5.

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7 Other than those above, all recommendations contained in the Report have
8 been adopted or undertaken by Hydro although in some cases the time
9 provision in the recommendation was varied by the Board. For example, in
10 Recommendation #1 it was recommended that Hydro include generation
11 reliability indicators in a monthly report to the Board. The Board agreed that
12 these would be provided on an annual basis.