

- Q. In reference to page 26 in the report of Grant Thornton LLP on Newfoundland & Labrador Hydro's 2001 Rate Hearing:
- (a) Have salaries related to the negotiation of the development of the Lower Churchill River been paid by Hydro?
 - (b) If, so have they been included in Hydro's rate base?
 - (c) If not, where have they been accounted for?
- A.
- (a) Salaries related to the negotiation of the development of the Lower Churchill River were paid by Hydro.
 - (b) Salaries for Hydro staff who are involved in the negotiation of the development of the Lower Churchill River Project are capitalized by Hydro and included in Work in Progress. The amounts capitalized are not included in the rate base because all Work In Progress is excluded from the rate base.
 - (c) See (b) above.