

- Q. In reference to page 35 in the report of Grant Thornton LLP on Newfoundland & Labrador Hydro's 2001 Rate Hearing, in your opinion, should the communications plan advertising of \$75,000 be a regulated cost, or is the nature of the plan one of corporate promotion, and therefore should be chargeable to non-regulated accounts?
- A. It is our understanding that the purpose of the communications plan is to strengthen Newfoundland & Labrador Hydro's corporate image with their external and internal stakeholders, effectively communicate internally and externally, enhance employee effectiveness and build closer relationships with communities and their customers. In our opinion, the nature of the communication plan is one of corporate promotion and should be considered a non-regulated expense.