

1     Q.     On page 2 of the Corporate Overview evidence given by William E. Wells it  
2           states "Power purchase costs will increase in 2004 by \$18 million over the  
3           2002 test year as a result of purchases from Corner Brook Pulp and Paper  
4           Limited and the Exploits River Hydro Partnership". Please provide a  
5           summary of the cost savings realized by purchasing power as opposed to  
6           self-supply?

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9     A.     The issue of cost-effectiveness of power purchase arrangements that Hydro  
10           has entered into with Corner Brook Pulp and Paper Limited and with the  
11           Exploits River Hydro Partnership, and of the recovery of those costs by  
12           Hydro through its rates, are the subject matter of Exemption Orders from the  
13           Lieutenant-Governor in Council issued under the Public Utilities Act and the  
14           Electric Power Control Act. The information requested about these matters  
15           is not required for a full understanding of the issues to be considered by the  
16           Board in this hearing.