

1 **Q. Is the decision regarding seasonal water storage one which has economic**
2 **consequence for shareholders versus customer? If yes, please outline other business**
3 **areas where Newfoundland Power weigh similar shareholder versus customer**
4 **decisions.**

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6 A. Newfoundland Power's decisions regarding water storage and hydro production are made
7 to maximize the efficient use of its hydraulic resources in order to minimize costs to both
8 Newfoundland Power and its customers.

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10 Newfoundland Power is committed to providing safe, reliable service at least cost. This
11 commitment requires a balancing of the interests of all stakeholders in the electrical
12 system.