

1 **Q. Page 48, lines 10-26 - Should labour and certain other services provided by Hydro to**
2 **inter-related companies be charged out at market rates where appropriate, similar**
3 **to the methodology used in NP?**
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6 **A.** Hydro's inter-corporate transactions include transactions or cost recoveries with its non-
7 regulated subsidiaries, primarily Churchill Falls (Labrador) Corp. (CF(L)Co). In Exhibit
8 JCR-2, Hydro describes in some detail the nature of its inter-corporate activities and the
9 approach and methodology employed to determine the applicable charges or cost
10 recoveries.
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12 The nature and circumstances associated with inter-corporate relationships and
13 transactions will vary from utility to utility and therefore each situation should be
14 reviewed independently. The issue as to whether market rates are appropriate for inter-
15 corporate transactions is a matter to be determined by the Board having reviewed all of
16 the relevant evidence.