

1 Q. Ref: Direct Testimony of John Roberts, p.4, lines 1-4. Is the guideline
2 detailed therein (capital program should not normally exceed cash flow from
3 operations and be kept to the level of depreciation) used by other Canadian
4 utilities? If so, please provide details. If not, please provide details on why
5 Hydro uses this guideline.

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8 A. Hydro is not aware of what guidelines that may be used by other Canadian
9 utilities in determining their capital programs. Hydro considers that a capital
10 program that equates to cash flow from operations will not present difficulties
11 related to financing. It is only a guideline and would at times be exceeded by
12 significant costs for multi year projects related to reliability improvements,
13 new sources of generation and the requirements of specific projects.