

1    Q.    Please indicate whether Hydro carries vehicle insurance in respect of its fleet  
2           and, if so, whether it has ever undertaken a study to determine the costs-  
3           benefits of self insuring.

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6    A.    Hydro carries Public Liability Insurance with a limit of \$1 million on its fleet of  
7           vehicles, subject to a deductible of \$5,000 per accident. Additional liability  
8           limits of \$48 million are provided under Hydro's Excess Liability Insurance  
9           Policies. Physical damages to Hydro vehicles, for which there is no  
10          responsible Third Party, are self-insured by Hydro. Statistically, costs  
11          associated with repair of Hydro vehicles have amounted to less than \$50,000  
12          per annum, whereas, premium costs for the purchase of physical damage  
13          insurance would range from a minimum of \$150,000 per annum to more than  
14          \$300,000 depending on vehicle values and deductible levels.