

1 Q. With regard to the response to CA 4 NLH (d), is this consistent with the
2 mediation agreement that Hydro committed to during the previous application
3 that performance relative to the peer group will be reported beginning in
4 2005?

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7 A. In the Mediator's Report included in Appendix H of the Decision and Order of
8 the Board (Order No. P. U. 14 2004), Hydro agreed (point "aa") to "*propose* a
9 peer group of utilities and measures upon which to compare its performance
10 not later than six months following the date of the Board Order in this
11 proceeding. *Upon approval thereof*, Hydro will collect and report such
12 measures for itself and the peer group annually beginning in 2005"
13 (emphasis added).

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15 Hydro's recommendation to the Board on this matter was to utilize statistical
16 services then available through CEA to meet the objective of external
17 benchmarking for its internal KPIs. As outlined in CA 4 NLH (e), CEA
18 subsequently undertook a thorough review of the use of CEA member data
19 for benchmarking purposes in regulatory settings. As Hydro does not know
20 the outcome of this ongoing review, nor the full scope of potential KPIs that
21 CEA may approve, it is not possible to judge at this time whether Hydro's
22 adherence to CEA policy on this matter going forward will meet the Board's
23 objectives.

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25 Hydro intends to continually track and report on its own corporate
26 performance across a broad set of KPIs as provided in Exhibit JRH-1.