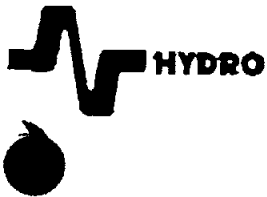


In reference to Schedule “B”, page 62 of 82:

Q. Please provide all minutes of meetings in reference to the Joint Task force established in 1997, including the minutes of the eighteen working groups or committees established.

A. The response to CA-46(g) provides the minutes of the Hydro/Newfoundland Power Steering Committee.

Attachment A is the minutes of the Inter-Company Work and Cost Philosophies Committee, the Equipment Sharing Committee and the Memorandum of Understanding on Sharing of Services and Equipment. This information was previously filed in Newfoundland and Labrador Hydro’s 2001 General Rate Application as a response to CA-201(c). To the Company’s knowledge, no formal minutes were recorded at the meetings held by the remaining working groups.



MINUTES OF MEETING

INTER-COMPANY WORK AND COST PHILOSOPHIES COMMITTEE

NEWFOUNDLAND POWER AND NEWFOUNDLAND HYDRO

DATE: 1999-03-30

LOCATION: E.C.C. Orientation Room - Hydro Place

ATTENDEES: D. Bragg - Nfld. Power
E. Hewlett - Nfld. Hydro
G. Brinston - Nfld. Hydro

=====

This committee has been established under the direction of Mr. J. Evans, V.P. Engineering & Energy Supply, Nfld. Power, and Mr. D. Reeves, V.P. Transmission and Rural Operations, Nfld. Hydro.

The mandate of the Committee is to recommend a philosophy for the development of charge rates and a protocol for requesting services or equipment by either utility.

The primary focus of the recommendations developed will center around equipment/service sharing in emergency situations to the benefit of the electricity consumers in the Province.

Following a general discussion of the present practices, with respect to equipment and service sharing, the Committee focused on drafting recommendations which would be fair and equitable to both utilities.

The following is a summary of the main points discussed and the consensus reached:

1. Labour Rates:

This Committee agreed that the finance people would include in the rates the following:

- a) actual salary or contract rates for the various classifications;

1. Labour Rates: (Cont'd.)

b) common overheads as agreed to between the Finance Departments.

It was also agreed that all identifiable and significant time by any persons participating in the response to a request would be included in the costs invoiced to the requesting utility.

Time for the co-ordination of the request, < 4 hours, will not be billed to the requester.

2. Equipment Rates:

The first activity undertaken here was to review the existing "specialized" equipment listings and decide which items would be shared with no charge and those for which charge out rates would need to be developed.

Having completed this review, the following recommendations were agreed to relative to equipment rates;

- a) routine maintenance costs will be included in the hourly rate, with non-routine/accidental damage to be direct billed, as an extra to the hourly charge rate;
- b) fuel should be a cost to the user utility with each utility to adopt a full out/full in fuel philosophy;
- c) fixed costs, i.e. depreciation and interest costs should be factored into the charge rate.

The Finance Departments will meet and establish a common approach to depreciation and interest charges.

3. Materials:

Nfld. Power expressed an interest in being able to access certain stock specialty items of Hydro's. Specifically, towers which are not a stock item for Nfld. Power, but which they have in service, eg. Tower at Greenspond Crossing. Nfld. Hydro agreed to discuss this and respond at our next meeting.

Local area sharing of materials should be handled on a loan/return basis with appropriate documentation at the time of issue. There would not be an invoicing between utilities for these items.

4. Review of Rates:

An annual review of the agreed to charge rates by the respective Finance Departments would be appropriate.

5. Frequency of Billing:

It was agreed that the issue of the appropriate time frame/method for invoicing would be determined by the Finance people, based on the most cost effective approach.

6. Protocol for Requesting Service:

- a) equipment listed in the agreed to "sharing" list is viewed as specialized and this is the only equipment available in non-emergency situations. Consideration should be given for provision of equipment not considered specialized, for use in situations where the circumstances do not constitute an emergency but are not routine work for the requesting utility. Equipment provided in non-routine situations would be charged following the same rate structure for emergency situations
- b) any specialized equipment requiring an operator will be supplied and charged complete with the operator (eg. Nodwells, boom-trucks, gas turbines, diesels, etc.);

6. Protocol for Requesting Services: (Cont'd.)

- c) The "owner" company will have the right to recall its equipment to address its own emergency. However, the exercising of the recall right would only occur when we have "dual" emergencies and would require executive management approval before "loaned" equipment is recalled;
- d) when line crew services are requested for emergency response, then the utility providing the service will respond with a complete crew and their associated equipment (eg. High voltage transmission line outages);
- e) the sharing of specialized equipment in non-emergency situations will be planned such that its use will not jeopardize the "owner" utility work plan;
- f) each utility will retain the right to refuse to provide the requested services or equipment due to developing circumstances on their own system;
- g) there are no restrictions on the list of equipment available for sharing in emergency situations;
- h) all requests for non-emergency requirements will be initiated via e:mail and should have the maximum practical lead time;
- i) this memorandum of understanding should include a mechanism for documentation of problems arising and communicating concerns about the workings of the memorandum of understanding;
- j) the utility being asked to provide equipment shall retain the right to refuse the sharing of that equipment, if it feels that the work can be performed manually using its own work methods.

7. Sharing Co-Ordinators & Alternates:

It was agreed that each utility should have a designated equipment sharing co-ordinator and an alternate.

The designated co-ordinators would be the normal contacts during regular working hours, however, alternative contacts would need to be established for after hours emergencies.

7. Sharing Co-Ordinators & Alternates: (Cont'd.)

Each utility operates an on-call system through their respective Energy Control Centers. It was felt that this might be a viable alternative for after-hours emergencies.

This will be finalized at the next meeting.

8. Local Area Sharing of Equipment:

Non-specialized equipment sharing at a local level should be handled by local area management through local memorandum of understanding.

9. Recommendations to Executive Management:

This Committee will draft a letter for issuance by Messrs. Evans and Reeves outlining the main points of this memorandum of understanding.

10. Final Recommendations:

The Committee will target 1999-04-09 for submission of its recommendations to Executive Management.

11. Finance Issues:

Lisa Hutchens of Nfld. Power and R. Dawe of Nfld. Hydro, will be directed to resolve the finance issues arising from this memorandum of understanding.

12. Work Methods:

Crews shared in emergencies or non-routine situations, will follow the normal work practices/methods of their respective "home" utility, while working under the work protection guarantee of the "host" utility and will build to the standard of the "host" utility.

MINUTES OF MEETING
EQUIPMENT SHARING COMMITTEE
NEWFOUNDLAND POWER &
NEWFOUNDLAND HYDRO

DATE: 1999-04-07

LOCATION: E.C.C. Orientation Room - Hydro Place

ATTENDEES:

D. Bragg	-	Nfld. Power
E. Hewlett	-	Nfld. Hydro
G. Brinston	-	Nfld. Hydro

The meeting commenced at 1030 hrs., and covered the following topics:

1. Review of the Minutes of the 1999-03-30 Meeting

The draft of the minutes of the 99-03-30 was reviewed with editing changes made to Articles 1, 5, 6 b, c, d, e, and h, and 12. G. Brinston will revise the minutes to reflect the changes noted.

2. Materials

Newfoundland Hydro advised that it would be prepared to sell specialized inventory items to Newfoundland Power in emergency situations. These items would be invoiced at the replacement cost plus the agreed to overheads.

Release of items from the Nfld. Hydro "safety stock" will be subject to approval by the operations manager responsible.

3. Sharing Co-ordinators.

It was agreed that both utilities will name a co-ordinator and alternate for regular hours co-ordination of sharing of services or equipment.

For after hours emergencies the existing stand-by system for both utilities would be the point of contact. It will be critical that all persons who work the on-call schedule are familiar with the conditions contained in the memorandum of understanding for sharing services or equipment.

The concept envisaged for after hours emergencies is the utility requiring the services or equipment contacts the Control Center, who in turn makes contact with the appropriate on call person. The person on call then co-ordinates the effort to respond to the sharing request.

4. **Equipment Sharing**

It was agreed that the list of equipment for **Island Wide** sharing should be amalgamated into one list containing both utility lists, and that only major equipment for which a charge will be levied would appear on that list.

E. Hewlett will revise the existing list and each utility will review it for errors or omissions. A listing of equipment for sharing at the local level will be also be developed and exchanged.

5. **Memo for V.P. Signature**

It was agreed that we would draft a memo for issue by the V.P.'s of both utilities to facilitate communication of our memorandum of understanding. Items to be covered in the memo include the following:

- a. This MOU supersedes all previous agreements with respect to sharing of equipment.
- b. Clarifications of issues surrounding the MOU will be by the "Sharing Committee"
- c. A statement of the purpose and reason for the MOU.
- D. Bragg will prepare a draft for review by this committee.

6. **Tracking of Sharing Activities**

It was agreed that this committee would be responsible for reviewing sharing activities on an annual basis and that both utilities could use their work order system to keep track of all costs associated with a sharing activity.

The sharing co-ordinators will be responsible for monitoring the return of equipment, and will develop a form for use in signing out/in equipment. The owner utility will be responsible for ensuring that equipment is inspected for damage upon return.

7. **Next Meeting**

The next meeting should take place following finalization of the draft of the MOU and development of the sharing lists. Target date for finalizing the MOU is 99-04-16 with the issue of the memo from the V.P.'s to by 99-04-30.

GB/kc



December 18, 2000

Memorandum From: John G. Evans and David W. Reeves
To: Engineering and Operating Staff
Subject: Sharing of Services and Equipment

The attached Memorandum of Understanding on the Sharing Of Services and Equipment (MOU) is the result of a co-operative effort between Newfoundland Power and Newfoundland & Labrador Hydro. It provides guidance to both utilities in the sharing of services and equipment and should prove most valuable in emergency situations. It is designed to enhance service reliability and reduce costs, two of the more important issues for consumers of electrical energy in Newfoundland and Labrador.

The MOU establishes a protocol for the provision of equipment and service between the two organizations and the rates to be charged. It will result in an overall increased utilization of equipment and services at both utilities, thereby reducing total costs.

This agreement takes effect immediately and supercedes all other arrangements on equipment and service sharing. It will continue to need updating with respect to the equipment listings, contacts information and charge out rates. This should be done annually as part of other contingency plan updating. Any questions on the use of these guidelines should be addressed to Sean LaCour at Newfoundland Power or Gary Brinston at Newfoundland & Labrador Hydro.

Thank you for your assistance in implementing this important initiative between our Companies.

A handwritten signature in black ink, appearing to read "D. Reeves", written over a horizontal line.

David W. Reeves, P.Eng.
Vice-President
Transmission and Rural Operations
Newfoundland and Labrador Hydro

A handwritten signature in black ink, appearing to read "J. Evans", written over a horizontal line.

John G. Evans, P.Eng.
Vice President
Engineering and Energy Supply
Newfoundland Power Inc.

Sharing of Services and Equipment

December 18, 2000



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MEMORANDUM OF UNDERSTANDING

Services & Equipment Sharing

Newfoundland Power & Newfoundland & Labrador Hydro

SCOPE:

The following Memorandum of Understanding (MOU) was developed by a joint committee and provides guidance to the utilities in their sharing of services and equipment, primarily in emergency situations.

Emergencies under this MOU are defined as follows:

- where the potential exists for extended service interruptions,
- where public safety is at risk, or
- loss of specialized equipment.

The spirit of the MOU is that the sharing of resources provides the people of Newfoundland & Labrador with the most reliable supply of electrical service at minimum cost.

SHARING CO-ORDINATION:

A Sharing Co-ordinator is appointed for each utility with responsibility for the co-ordination of sharing requests, during regular work hours.

The Co-ordinators will meet when required, to review usage and benefits and will make adjustments to the process as required.

After Hours Sharing Co-ordination

In after hours circumstances, the on-call system of both utilities will be utilized. The initial contact point for after hours requests will be the Control Center.

EQUIPMENT:

Equipment for sharing includes two types:

- Major: Specialized equipment for Island wide sharing such as gas turbines, portable transformers, boom trucks, Nodwells/Muskegs, etc. Charge out rates shall apply for this equipment.
- Minor: Specialized smaller tools and equipment for local sharing. Charge out rates do not apply for this equipment.

RATES:

1. Equipment

Rates include routine maintenance, operating expenses and fixed costs such as depreciation and interest.

- 1) Users are expected to replenish fuel used.
- 2) Accidental damage repair which occurs while equipment is on loan, will be the responsibility of the user utility.
- 3) The user utility is responsible for all costs associated with the delivery and return of borrowed equipment.
- 4) In circumstances where the requested equipment is not utilized, the user utility will be responsible for mobilization and demobilization costs.

2. Labour:

Labour includes equipment operators, line crew labour and other personnel services requested.

Labour rates are based on the actual salary or contract rate for each classification.

Common overheads apply to all classification rates.

Note: Co-ordination time of < 4 hours will not be billed to the requestor.

3. **Materials:**

- 1) Materials purchased directly from each utility's stores will be billed at replacement cost plus handling charges.
- 2) Release of emergency stock from each utility's stores will be in accordance with the utility's policies.

The co-ordinators will be responsible for maintaining an up-to-date schedule of rates in conjunction with their respective Finance Departments.

Note: The Finance Departments of both utilities will review the rates annually.

PROTOCOLS FOR REQUESTING SERVICES/MATERIALS/EQUIPMENT:

- 1) Safety remains the highest priority of both utilities. The host utility will ensure that the highest standards of employee safety and protection guarantee apply.
- 2) The utility providing specialized equipment will ensure a qualified operator accompanies the equipment.
- 3) Non-specialized equipment may be shared for situations where the requesting utility is faced with a non-routine work requirement. This sharing will be at the discretion of the local area management and the conditions of this MOU will apply.
- 4) When linecrew services are requested for emergency response, the utility will normally respond with full crews.
- 5) Linecrews assigned to work with crews from the other utility, will be assigned a specific project where practical, and will follow the normal work practices and methods of their "home" utility.
- 6) Both utilities will retain the right to withhold the sharing of its crews and equipment in situations where local management is concerned about the possibility of an emergency within its own system.
- 7) The Co-ordinators will on a continuing basis jointly review sharing requests to ensure the most cost effective methods are utilized.
- 8) Both utilities will have the right to recall its crews and equipment to respond to an emergency on its own system. Where temporary generation is providing emergency power to customers, the recall of this generation equipment will be subject to senior management review by both utilities.

9) The Co-ordinators will be responsible for maintaining daily communication with respect to any sharing activities, and will ensure that supplied equipment has been approved by the user.

10) Detailed invoices shall be provided to the user utility.

Newfoundland Hydro and Newfoundland Power Shared Equipment Rates and Guidelines

Introduction

Equipment is shared between Newfoundland Power and Newfoundland Hydro and charge-out rates have been developed to facilitate the invoicing process for this equipment between the two companies. This document will serve as a guideline in the preparation and processing of these invoices and will be reviewed/updated on an annual basis. Aubrey Hill (737-1405) of Newfoundland Hydro and Chari Bishop (737-5725) of Newfoundland Power are the designated contacts who will be responsible for the timely processing of invoices and maintenance of charge-out rates for each Company. It is recognized that this will be a working document and will be updated as additional equipment is shared between the two organizations.

Equipment Rates

Daily rates (based on an eight hour day) have been developed and include capital and operating costs. Appendix 2 includes a listing of equipment that may be shared from each Company and the applicable charge-out rates. The utilization factors used in the rate calculation may change if there is a significant difference in the equipment usage (i.e., significant usage by the organization borrowing the equipment would result in a higher utilization rate and a reduced billing rate.) This will have to be reviewed at least on an annual basis with adjustments made as necessary.

Labour Rates

It is recognized that the owners employees may be required to operate the shared equipment. Also, employees from either utility may have to provide switching services for the other utility. Therefore, labour rates have been developed to cover these costs. These rates include the base rate, payroll overheads, pension costs, and overheads. Newfoundland Hydro's rate is 161% of base wage. Newfoundland Power's rate is 166% of base wage.

APPENDIX 1

Page 2 of 2

Fuel Costs

It is agreed that fuel costs will be the responsibility of the Company borrowing the equipment and they will receive and return the vehicle with a full tank of fuel. For some of the larger equipment (e.g., mobile gas turbine), the operator who accompanies the rental may arrange for fuel delivery. In this case, the costs will be directly billed to the borrowing Company.

Travel Costs

Any travel costs and other miscellaneous costs that are incurred while operating shared equipment will be charged as they are incurred and will be supported by invoices.

Administration Overhead

An administration overhead will be included on each invoice to cover the various administrative costs associated with the provision and invoicing of the shared equipment. Newfoundland Hydro and Newfoundland Power have agreed to a rate of 10% (maximum \$1000).

Invoicing Procedures

In the first year of the agreement, each job will be billed on an individual basis. This arrangement will be reviewed after one year to determine if a quarterly, semi-annual or annual basis may be more appropriate. All invoices will be forwarded and received by Aubrey Hill (Newfoundland Hydro) and Chari Bishop (Newfoundland Power). Any questions related to the process and invoicing of shared equipment should be directed to these individuals.

Equipment Listing
Newfoundland Power Shared Equipment with Newfoundland Hydro

Item	Description	Original Cost	Useful Life	Depreciation Rate	CCA Rate	Annual Fixed Charge rate	O&M as a % of Plant (Excl Fuel)	Annual Cost			Utilization As a % of a Year	Operating Daily Rate	Standby Daily Rate	Hourly Rate ¹²
								Capital	O&M	Total				
1	Mobile Gas Turbine, 7.5 MW 25 / 12.5 / 4.16 kV	\$598,875	28	3.55%	4%	12.9%	8.7% (1)	\$77,255	\$52,102	\$129,357	10% (4)	\$3,544	\$2,117	
2	Mobile Diesel, 700 kW 12.5 / 4.12 kV	\$101,315	28	3.55%	4%	12.9%	1.8% (1)	\$13,070	\$1,824	\$14,893	10% (4)	\$408	\$358	
3	Mobile Transformer, 25 MVA 138 / 66 kV - 25 / 12.5 kV	\$635,383	36	2.75%	4%	12.0%	2.3% (2)	\$76,246	\$14,614	\$90,860	50% (6)	\$498	\$418	
4	Mobile Transformer, 50 MVA 138 / 66 kV - 25 / 12.5 kV	\$1,902,719	36	2.75%	4%	12.0%	2.3% (2)	\$228,326	\$43,763	\$272,089	50% (6)	\$1,491	\$1,251	
5	Mobile Transformer, 10 MVA 66 kV - 25 / 12.5 / 4.16 kV	\$423,365	36	2.75%	4%	12.0%	2.3% (2)	\$50,804	\$9,737	\$60,541	50% (6)	\$332	\$278	
6	Portable Oil Circuit Breaker	\$45,000	36	2.75%	4%	12.0%	2.3% (2)	\$5,400	\$1,035	\$6,435	20% (7)	\$88		\$11
7	Portable Power Cables 250 - 750 MCM, 12.5 - 25 kV	\$45,700	36	2.75%	4%	12.0%	2.3% (2)	\$5,484	\$1,051	\$6,535	50% (6)	\$36		\$4
8	Line or Boom Truck c/w Derricks	\$160,000	9	10.84%	30%	17.4%	11.3% (3)	\$27,840	\$18,046	\$45,886	57% (5)	\$221		\$28
9	GT1000 Go Track (484A) c/w Mountable Backhoe	\$106,741	15	6.67%	30%	12.3%	11.3% (3)	\$13,129	\$12,039	\$25,168	20% (7)	\$345		\$43
10	GT1000 Go Track (449B) c/w Pitman Hydraulic Digger Derrick	\$225,342	15	6.67%	30%	12.3%	11.3% (3)	\$27,717	\$25,415	\$53,133	20% (7)	\$728		\$91

Equipment Listing
Newfoundland Power Shared Equipment with Newfoundland Hydro

Item	Description	Original Cost	Useful Life	Depreciation Rate	CCA Rate	Annual Fixed Charge rate	O&M as a % of Plant (Excl Fuel)	Annual Cost			Utilization As a % of a Year	Operating Daily Rate	Standby Daily Rate	Hourly Rate ¹²
								Capital	O&M	Total				
11	GT800 Go Track (465A) c/w Mountable Backhoe	\$89,543	15	6.67%	30%	12.3%	11.3% (3)	\$11,014	\$10,099	\$21,113	20% (7)	\$289		\$36
12	Acoustic Boom Tester	\$83,563	15	6.67%	30%	12.3%	11.3% (3)	\$10,278	\$9,425	\$19,703	10% (8)	\$540		\$67
13	T/E Tension Stringer	\$19,869	15	6.67%	30%	12.3%	11.3% (3)	\$2,444	\$2,241	\$4,685	20% (9)	\$64		\$8
14	Mobile Vacuum Pump (1996)	\$25,219	25	4.00%	20%	10.2%	11.3% (3)	\$2,572	\$2,844	\$5,417	10% (10)	\$148		\$19
15	Mobile Vacuum Pump (1991)	\$20,378	25	4.00%	20%	10.2%	11.3% (3)	\$2,079	\$2,298	\$4,377	10% (10)	\$120		\$15
16	Insulator Washer	\$46,955	25	4.00%	20%	10.2%	11.3% (3)	\$4,789	\$5,296	\$10,085	10% (11)	\$276		\$35
17	Thermoscan Equipment	\$72,259	25	4.00%	20%	10.2%	11.3% (3)	\$7,370	\$8,150	\$15,520	30% (11)	\$142		\$18

O&M Rates Less Fuel

- (1) 5 year average based on actual
 (2) Based on 1998 Total Substation O&M
 (3) Based on vehicle detail

See Sheet for O&M Rates for Detail

Utilization Rates

- (4) 10% -- Used mainly for emergency purposes.
 (5) 57% -- Based on 5 days a week * 52 weeks * 80% utilization / 365 days
 (6) 50% -- Based on schedule in service for 1999. - Lorne Thompson
 (7) 20% -- Average Estimate From Superintendent of Regional Operations where plant located.
 (8) 10% -- Based on testing 3 trucks a day. We Have about 90 trucks.
 (9) 20% -- Estimated From Supt. of Regional Operations - Don Norman
 (10) 10% -- Estimated From Energy Supply - Lorne Thompson
 (11) 10% -- There was a 1% estimated From Supt. of Regional Operations - Don Norman (Use 10% as a minimum)
 (12) Hourly rate based on 8 hours per day. Daily rate should max at 8 hours.

Equipment Listing

Newfoundland & Labrador Hydro Shared Equipment with Newfoundland Power

APPENDIX 2

Page 3 of 4

REVISED :

14-Dec-00

ITEM	DESCRIPTION	Capital Cost	Useful Life	Annual Depreciatl on Costs	Interest Expense	Operating Costs	Total Annual Operating Costs	Average Annual Usage Hours	CHARGE RATE HOURLY	CHARGE RATE DAILY(8 HRS)
18	Transformer Mobile, 15 MVA 138 kV/25 kV - 12.5 kV c/w 138 kV Switch, 25 kV OCB	110,156.94	21	5,246	7,313	2,000	14,559	720	20.22	161.76
19	Transformer, Portable 1.5 MVA 25 kV - 12.5 kV/4160 V. Mounted on a Truck Pallett	150,337.57	40	3,758	11,333	500	15,592	720	21.66	173.24
20	Cable 25 kV, Set of 3 c/w Terminations Mounted on Protective Reels with Stand. Length - 45 metres, 2 complete sets	23,719.29	20	1,186	1,562	200	2,948	720	4.09	32.76
21	Oil Purifier, Mobile c/w Vacuum Hoses and Power Cables Fleet aNo. 8661	67,237.97	15	4,483	4,257	2,000	10,739	200	53.70	429.57
22	Nodwell, c/w 52 ft. Boom Insulated Buckets and Winch, Equipment #7974 & Boom # 9588	308,257.10 82,490.38	15	26,050	24,738	10,000	60,788	250	243.15	1945.21
23	Terra Veh. c/w Hiab Boom and Back Hoe, Equipment #7735 & Boom # 9597	102,106.41 28,210.00	15	8,688	8,250	8,000	24,938	500	49.88	399.01
24	Go Track 1600 c/w 46 ft. Boom Insulated Bucket and Winch #7846 & Boom #9804	307,489.00 Boom Inclu	15	20,499	19,467	10,000	49,966	500	99.93	799.46
25	Go Track #7649 1000 Crew Cab c/w Back Hoe # 9615	124,958.40 39,071.05	15	10,935	10,385	8,000	29,320	500	58.64	469.12
26	Go Track 1000 Dump Equipment #7631	75,471.02	15	5,031	4,778	6,000	15,809	500	31.62	252.95

Newfoundland & Labrador Hydro Shared Equipment with Newfoundland Power

Page 4 of 4

14-Dec-00

[illegible]

SHARING CO-ORDINATORS

Newfoundland Power

Rick Spurrell
(709) 737-5893 (Work)

After Hours

(709) 737-5993 (Control Centre)

Newfoundland & Labrador Hydro

Hugh Ireland
(709) 258-2367 (Work)

After Hours

(709) 737-1958/1957 (Control Centre)

CLARIFICATION OF INTENT REGARDING PERSONAL INJURY AND PROPERTY DAMAGE

Clarification of the intent of the MOU as to who pays for physical damages that occur to the borrowed equipment or for third party property damages or bodily injuries resulting from the operation of the borrowed equipment.

PHYSICAL DAMAGE TO BORROWED EQUIPMENT

Scenario	Who pays
1. Licensed equipment insured under an Auto policy while being transported by the Lender to & from the Borrower's designated site. (Understood that the intent is for such equipment to always be loaned w/ an operator.)	The Lender and/or the Lender's Auto insurance. (The Lender shall be responsible for the deductible or full amount of damage if self insured.)
2. Other equipment being transported by the Lender to and/or from the Borrower's designated site.	The Lender and/or the Lender's Property insurance. (The Lender shall be responsible for the deductible or full amount of damage if self insured.)
3. Other equipment being transported by the Borrower to & from the Borrower's site.	The Borrower and/or the Borrower's Property insurance (which covers property of others while in the Borrower's CCC.).
4. Equipment (w/ or w/o operator) that while on loan and during normal operation, fails or is damaged because of the failure of a component(s), as a result of normal wear and tear .	The Lender will pay the costs of repairing the actual damages (parts and labour). The Borrower will pay all travel and accommodation costs associated with the personnel dispatched to effect the repairs to the damaged equipment, from the time they leave their normal headquarters until they return. The labour costs for these personnel for the travel time from the headquarters to the jobsite and return will also be borne by the Borrower.
5. Major equipment, such as mobile generating units, portable transformers, etc. that is damaged by something other than normal wear and tear . (It is understood that generating units will always be supplied with operator.)	The Borrower and/or the Borrower's Property or B&M insurance.
6. "Fleet" equipment (w/ operator) (e.g. line trucks, tracked machines, ATVs, etc.) that while on loan is damaged during normal operation as a result of an accident.	The Lender is responsible for damages resulting from normal wear and tear and/or while under the direct control of the operator. The Borrower is responsible for all other damages.

BASIS OF SETTLEMENT

Where the Borrower is responsible for the damages to borrowed equipment, the Borrower shall be liable for the cost of the repairs using materials of the same kind and quality. Where the damaged property cannot be repaired, the Borrower shall replace it with property of like kind and quality.

Where property of like kind and quality cannot be obtained, the Borrower shall replace the damaged property with equivalent new property.

THIRD PARTY PROPERTY DAMAGE / BODILY INJURIES

Scenario	Who pays
1. 3 rd party property damage and/or bodily injury resulting from the Lender's licensed vehicle while being driven by the Lender's operator, that is insured under an auto Liability Policy.	<ul style="list-style-type: none"> • If there is no bodily injury - the Lender or the Lender's Auto Liability insurance. (It is at the Lender's discretion, based on the estimated value of the damages, whether or not the Lender makes a claim against their Auto Liability policy.) • If there is bodily injury regardless of whether there is or not property damage, the claim will be made against the Lender's Auto Liability policy. (As deductibles are typically not applicable, there will be no direct cost to either the Lender or Borrower for such insurance claims.)
2. 3 rd party property damage and/or bodily injury resulting from the operation of: A) mounted or other equipment (supplied w/ operator) that is not insured under an Auto Liability policy; or B) any other equipment while on loan to the Borrower.	<p>A. For damages arising out of the operation of equipment supplied w/ operator:</p> <ol style="list-style-type: none"> 1. as a result of operator negligence - the Lender and/or the Lender's General Liability (CGL) insurance; or 2. as a result of the specific direction of the Borrower - the Borrower and/or the Borrower's General Liability (CGL) insurance. <p>B. The Borrower and/or the Borrower's General Liability (CGL) insurance.</p>