

1    Q.    Please explain how Natuashish's electrical power assets are owned and operated  
2           and how the costs of same are reflected in the Cost of Service.

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5    A.    The electrical assets in Natuashish are owned by the Mushuau Innu First Nation  
6           (MIFN). Hydro's role pertains to the ongoing operation and management of the  
7           diesel plant and distribution system as a contractor providing services to the MIFN.  
8           Hydro provides employees to operate and maintain the diesel plant and distribution  
9           system, provides technical advice and engineering expertise, and makes managerial  
10          decisions that affect the operation of the entire electrical system in Natuashish.  
11          The MIFN are billed for all services provided. The costs for these services are not  
12          regulated costs and are therefore excluded from the Cost of Service.