

1 Q. **Reference: Section 3: Finance, Schedule I: Balance Sheet.**

2 Please provide Hydro's sinking fund investment policy, and indicate the
3 performance of the sinking funds in net financial performance since the 2006 GRA.

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6 A. Fund investments are limited to fixed income investments issued, or guaranteed by,
7 the Government of Canada or any provinces of Canada or any Chartered Bank in
8 Canada. Investments are held to maturity.

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10 Hydro makes an annual cash contribution to each sinking fund on the anniversary of
11 the underlying bond issue according to the following schedule:

Underlying Bond Issue	Contribution Date	Contribution (\$)
Series X	July 14	\$1,500,000
Series Y	February 27	\$2,400,000
Series AB	August 27	\$3,000,000
Series AD	July 14	\$1,250,000

12 A history of annual fund earnings since 2006 is included below.

Year	Actual/Forecast	Annual Earnings (\$ millions)
2006	Actual	10.4
2007	Actual	11.4
2008	Actual	12.6
2009	Actual	13.9
2010	Actual	15.2
2011	Actual	16.6
2012	Actual	18.0
2013	Actual	19.4
2014	Test Year	16.1
2015	Test Year	13.4