

1 Q. **Re: IN-NLH-195**

2 NLH stated in the response to IN-NLH-195 that the ownership of the electrical
3 generation and distribution facilities in Natuashish had been offered to it for the
4 price of \$1.00 before the Mushuau Innu First Nation had moved there. In the same
5 response, NLH stated that it refused to take ownership of these facilities unless
6 certain conditions had been met. These conditions are listed in IN-NLH-195 Att. 4
7 and IN-NLH-195 Att. 5.

8 With regard to those conditions:

9 Has NLH ever made as a condition of its taking ownership of certain facilities the
10 decommissioning and abandonment of another set of facilities?

11 Has NLH ever made as a condition of its taking ownership of generation and
12 distribution facilities the conveyance in fee simple to NLH of lands on which those
13 facilities sit?

14 Has NLH ever made as a condition of its taking ownership or operation of certain
15 facilities the assurance of payment for services rendered by NLH?

16 If any of these questions are answered in the affirmative, please provide details and
17 supporting documentation.

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20 A. []

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22 Hydro indicated in writing and in meetings that it did not wish to be responsible for
23 the operations, or for the costs, of running electrical systems in two communities
24 simultaneously. Effectively, this would have meant that the Davis Inlet electrical
25 infrastructure was to be decommissioned prior to responsibilities for Natuashish
26 being assumed. Please see IN-NLH-315 Attachment 1.

1 Hydro requires adequate title to any facilities for which it is responsible; for
2 permanent generating plant, it is typical that the form of title be fee simple. As
3 matters progressed in discussions with the Federal Government and the Mushuau
4 Innu First Nation, alternative forms of title were discussed. Permits were issued
5 with respect to Hydro's operation of the electrical facilities (please see IN-NLH-312
6 Attachment 1). If a transfer of these lands and assets is contemplated, further
7 discussions will be required on these matters,

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9 Hydro communicated its requirement with respect to assurances for payment for
10 services on several occasions. More particularly, this was stated in writing by letter
11 dated March 28, 2002 (please see IN-NLH-315 Attachment 1).