

1 Q. **2013 General Rate Application, Intercompany Charges and Shared Services**

2 Did Hydro complete by itself or through others, including external consultants, any
3 analysis of the options available for the provision of services by Hydro to Nalcor and
4 its subsidiaries and by Nalcor to Hydro versus the provision of services by
5 independent third parties? If yes, provide a copy of such analysis.

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8 A. Hydro's policy with respect to non-regulated activities was drafted in 2001, updated
9 in 2006 and included with this Application as Exhibit 7. With the introduction of
10 Nalcor, this methodology was adopted and applied to the transactions between
11 Nalcor and Hydro as well as other lines of business. An independent review was
12 conducted by Deloitte which compared Nalcor's processes to other utilities. The
13 conclusion from the review was that Nalcor's approach is fair and reasonable and in
14 line with other utilities. Please see NP-NLH-024 Attachment 1 for a copy of this
15 report.