

1 Q. Reference: 7 and 8.

2 In paragraph 8 of its Application, Hydro states that " ... *it was determined that since*  
3 *Hydro's liability to NARL was not limited in any way, that the exposure was such*  
4 *that they were no longer willing to provide coverage going forward.*" [underlining  
5 added].

6 What inquiries did Hydro make to determine the potential availability of Failure to  
7 Supply coverage for claims by North Atlantic (or industrial customers generally)  
8 based on a limitation of liability amount greater than \$1,000,000? Please include all  
9 documentation and communications in respect of these inquiries, including any  
10 quotations or other responses provided by any insurers or brokers.

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13 A. Hydro did not canvass the markets to determine whether a different limitation of  
14 liability arrangement might have been available.

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16 With regard to the issue to be determined in the present proceeding before the  
17 Board, it would not have been appropriate or consistent with the governing  
18 legislation to have proposed a different liability limit in the Industrial Customer  
19 Service agreement in response to any different limit to liability level that,  
20 hypothetically, could be obtained. The liability provision of the Industrial Customer  
21 service agreements are material terms of the rules and regulations of service  
22 approved by the Board under Section 71 of the Public Utilities Act. That Act and the  
23 Electrical Power Control Act, 1994 require that electrical service be provided on  
24 terms that are non-discriminatory and the same for all customers under  
25 substantially similar circumstances.