

1 **Volume 1, Section 3 – Finance**

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3 **Q. Please provide a breakdown of the Inter-corporate charges from affiliated companies**
4 **to NP over the years 2005 to 2008F and a detailed explanation for each charge in the**
5 **breakdown provided.**

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7 A. Table 1 shows a breakdown of regulated inter-corporate charges from affiliates for 2002
8 through 2006 and forecast charges for 2007 and 2008.
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Table 1
Regulated Inter-Corporate Charges from Affiliates
2002 to 2008F

Category	2002 Actual	2003 Actual	2004 Actual	2005	2006	2007F	2008F
Listing & Filing Fees ¹	\$ 28,597	\$ 30,888	\$ 30,946	\$ 15,360	\$ 16,927	\$ 22,800	\$ 22,800
Trustee & Share Plan Costs ²	130,315	143,768	106,207	71,241	73,396	79,800	79,800
Hotel/Banquet Facilities ³	27,508	15,339	34,327	33,942	20,312	15,000	15,000
Staff Charges ⁴	13,677	251,642	20,824	3,377	21,880	-	-
Miscellaneous ⁵	<u>59,671</u>	<u>22,890</u>	<u>57,945</u>	<u>182,730</u>	<u>881,976</u>	<u>20,000</u>	<u>3,400</u>
Total Charges	259,768	464,527	250,249	306,650	1,014,491	137,600	121,000
Non-Recurring Charges and Joint Use Transfers ⁶	<u>(11,355)</u>	<u>(246,123)</u>	<u>(42,756)</u>	<u>(162,578)</u>	<u>(831,365)</u>	<u>(16,600)</u>	<u>-</u>
Recurring Charges⁷	<u>\$ 248,413</u>	<u>\$ 218,404</u>	<u>\$ 207,493</u>	<u>\$ 144,072</u>	<u>\$ 183,126</u>	<u>\$ 121,000</u>	<u>\$ 121,000</u>

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¹ Includes TSX listing fees and filing fees with securities regulators.

² Includes costs related to the employee share purchase plan administered by Fortis Inc.

³ Includes the cost of hotel and banquet facilities at various hotels owned by Fortis Properties.

⁴ Includes labour and travel costs relating to services provided to Newfoundland Power by employees of other affiliates. As the supplier of the service for 2007 and 2008 may not be an affiliate, affiliate amounts for these years cannot be determined at this time.

⁵ Amounts for 2005 and 2006 are composed primarily of joint use pole transfers and meter refurbishment charges, as referred to in footnotes 156 and 157 on page 97 of the Company's Application. The forecast amount for 2007 includes joint use pole transfers from Fortis Inc. and meter refurbishment charges from Fortis Alberta for the first six months of the year. As the meter refurbishment contract was re-tendered in early 2007 and awarded to a non-affiliated supplier effective March 13, 2007, no further affiliated charges for this service are forecast. Forecast amounts for joint use transfers for the remainder of 2007 and 2008 cannot be provided at this time as the number of poles that will be transferred is not determinable.

⁶ See Table 40 on page 97 of the Company's Application.

⁷ See footnote 158 on page 97 of the Company's Application.