

**Volume 1, Section 3 – Finance**

**Q. Please detail all services performed by NP employees and all charges from NP to affiliated companies in connection with the acquisition of:**

- a. Terasen Gas**
- b. Fortis BC**
- c. Fortis Alberta Inc.**

A. (a) Table 1 provides the charges for services performed by Newfoundland Power employees in connection with the acquisition of Terasen Gas.

**Table 1**  
**Newfoundland Power Inc.**  
**Charges to Affiliated Companies**  
**Acquisition of Terasen Gas**  
**(\$)**

<b>Expenditure</b>	<b>Amount</b>	<b>Purpose</b>
Labour charges	99,400	To assist in carrying out appropriate due diligence related to the acquisition, including legal, regulatory, insurance, financial and other services required to complete the purchase. Newfoundland Power contributed one executive and one support staff to the purchase effort.
Travel expenses	<u>23,873</u>	Airfares, meals and accommodations related to providing the services noted above.
	<u><b>123,273</b></u>	

(b) & (c) The acquisition of FortisBC and FortisAlberta was transacted through the purchase of the Canadian operations of Aquila Inc. (a U.S. based company) and consisted of a single purchase transaction (“Fortis West”). Table 2 provides the charges for services performed by Newfoundland Power employees in connection with the acquisition.

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**Table 2**  
**Newfoundland Power Inc.**  
**Charges to Affiliated Companies**  
**Acquisition of Fortis West**  
**(\$)**

<b>Expenditure</b>	<b>Amount</b>	<b>Purpose</b>
Labour charges	712,094	Newfoundland Power provided input in carrying out the due diligence process related to the acquisition of Fortis West. Four Newfoundland Power executives, two managers and a number of other support staff provided services. Services included legal, engineering, regulatory, insurance, financial and other services required to complete the purchase, as well as secretarial and other support services.
Travel expenses	265,072	Airfares, meals and accommodations related to providing the services noted above.
Other expenses	<u>3,179</u>	These costs included courier charges, stationery and supplies, registration charges, and other miscellaneous items.
	<b><u>980,345</u></b>	

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All charges for services in relation to these transactions were paid on a timely basis by Fortis Inc.