

1 **Volume 1, Section 3 – Finance**

2
3 **Q. Does Fortis Inc. pay a stand-by fee to NP in respect of its ability to call upon NP**
4 **personnel and expertise to further its business development and acquisition agenda?**
5 **If so, how is that calculated? If not, why not? In providing NP’s answer, please**
6 **comment upon whether such stand-by fees are used as between regulated utilities**
7 **and their parent companies in North America.**

8
9 A. No.

10
11 Newfoundland Power charges a premium of 20% on labour costs (salary, benefits and
12 overheads) for any services provided by senior management to affiliates.

13
14 Fortis Inc.’s ability to call on Newfoundland Power personnel and expertise is subject to
15 the availability of personnel.

16
17 Newfoundland Power has no current knowledge of stand-by fee practice and is therefore
18 not in a position to comment on it.

19
20 Please refer to the response to CA-NP-156 for further information on the Company’s
21 policy on intercorporate transactions.