

1 Q. (Response to CA-NLH-13) Under current legislation, is Hydro allowed to directly
2 negotiate contracts with the Industrial Customers? If so, please provide supporting
3 documentation.

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6 A. The current legislation does not prohibit Hydro from directly negotiating or entering
7 into contracts with its Industrial Customers for the acquisition of energy or capacity
8 from those customers with customer-owned generation.

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10 Negotiations with customers that result in rates or terms and conditions of service
11 provided by Hydro to its new customers are not enforceable until they are first
12 approved by the Board pursuant to section 70(1) of the *Public Utilities Act*. With
13 respect to changes to rates or to the terms and conditions for service provided by
14 Hydro to its existing customers, those changes are not enforceable until they have
15 been approved by the Board pursuant to or section 71 of the *Public Utilities Act*.