

1 Q. **Staffing**

2 Provide the basis on which charges from other Nalcor entities are made to Lower  
3 Churchill Management Corporation (LCMC) and by which LCMC makes charges to  
4 others.

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6 A. Hydro understands that questions of intercompany costing are not within the scope  
7 of this proceeding and notes that the Board has recently had a separate  
8 independent report on Hydro's intercompany transactions prepared by Grant  
9 Thornton in Hydro's 2013 General Rate Application, which deals (in part) with  
10 intercompany charges.

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12 Notwithstanding the foregoing, Hydro notes that it follows the Intercompany  
13 Transaction Guidelines<sup>1</sup>, which are based on the principle of cost.

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<sup>1</sup> As filed in the 2013 GRA Evidence.