

1 Q. (Reference response to CA-NLH-64) It is stated *“Hydro is committed to ensuring the*  
2 *provision of least-cost reliable service for customers. Hydro will develop an*  
3 *appropriate review process to ensure activities carried out by Nalcor Energy*  
4 *Marketing on Hydro’s behalf are to the benefit of Hydro’s customers. Hydro will*  
5 *work with the Board to develop appropriate reporting mechanisms around the*  
6 *same.”* Why didn’t Hydro submit a review process and reporting mechanism as part  
7 of this Application given that the ML is forecast to be in service in two months and  
8 that Nalcor Energy Marketing is already in negotiations for off-island power  
9 purchases? Is it reasonable for Hydro to expect the Board and the Parties to support  
10 the proposed Off-Island Purchases Deferral Account that is expected to accumulate  
11 significant amounts of money without a process in place to ensure that off-island  
12 purchases are being procured at lowest cost and providing maximum benefit to  
13 customers?

14  
15  
16 A. As stated, Hydro will work with the Board through the GRA process to develop  
17 reporting requirements for off-island supply purchases. Hydro believes that the  
18 Board has sufficient evidence to approve the Off-Island Purchases Deferral Account.