

1 **Q. In reference to Schedule 6(c) of the Financial Consultant's 2003 Report, please**
2 **provide particulars of the insurance charges to Fortis Properties in the amount of**
3 **\$286,044 (2001) and \$579,712 (2002), detailing the names of the employees involved,**
4 **the periods of time and please provide time sheets in reference to these transactions.**
5

6 A. Please refer to CA-618 for a description of our approach to reviewing intercompany
7 charges.
8

9 The Fortis Group of Companies purchases insurance as a group rather than buying
10 individual company policies. Newfoundland Power pays the billings received from the
11 insurers and then charges the related companies for their portion through their inter-
12 corporate billings.
13

14 Based on information that we received from the Company during our review process, the
15 total premium (including tax and service fee) allocated to Fortis Properties in 2001
16 represents \$234,893 of the total charges of \$286,044. We do not have any details in our
17 files relating to the remaining balance (including staff charges) charged to Fortis
18 Properties in 2001.
19

20 The total premium (including tax and service fee) allocated to Fortis Properties in 2002
21 represents \$545,012 of the total charges of \$579,012. We do not have any details in our
22 files relating to the remaining balance (including staff charges) charged to Fortis
23 Properties in 2002.
24

25 The increase from 2001 to 2002 was primarily attributable to the purchase of Cabot Place
26 by Fortis Properties and the overall increase in the cost of insurance.