

1 **Q. In reference to Schedule 6(c) of the Financial Consultant's 2003 Report, please**
2 **provide particulars of the insurance charges to Maritime Electric in the amount of**
3 **\$488,096, detailing how many employees were involved, the periods of time and**
4 **please provide time sheets in reference to this transaction.**
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 Maritime Electric in 2002
16 represents \$478,018 of the total charges of \$488,096. We do not have any details in our
17 files relating to the remaining balance (including staff charges) charged to Maritime
18 Electric.