

1 **Q. In reference to Schedule 6(a) of the Financial Consultant's Report - Charges to**
2 **Fortis Inc., - please provide particulars as to staff charges \$198,880 (2000), \$496,408**
3 **(2001), \$323,335 (Sept. 2002), detailing how many employees were involved, the**
4 **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.
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9 Based on information obtained from the Company during our reviews, the staff charges
10 to Fortis Inc. consist of labour and travel charges. The charges relate to Newfoundland
11 Power employees working on Fortis projects, such as new acquisitions. In 2001, the
12 Company indicated that there were two Newfoundland Power employees seconded to
13 Fortis on a full time basis for a period of time. The charges for the nine months ended
14 September 30, 2002, are comparable on a pro rated basis to the charges for 2001.