

MR. ROGERS, EXAM. BY MR. MERRICK

1 Q. Yes.

2 A. The annual forecasted volumes of coal projected by
3 Nova Scotia Power for these years in the future that, as
4 I mentioned in my earlier testimony, the company, DEVCO,
5 was trying to obtain firm commitments concerning, at all
6 times they were subject to plus or minus 10 percent as an
7 op -- as a variation that was permissible under the
8 contract with NSP. NSP could either increase their
9 volume requirements by 10 percent over the estimate or
10 they could reduce it by 10 percent.

11 Now the amount of take-or-pay coal was 275,000
12 tonnes a year. That was roughly the same as the 10
13 percent variation. So that in addition to getting
14 confirmation to the annual coal volumes they required, I
15 felt it was important also to obtain a commitment that
16 they would not use that 10 percent variation as a way to
17 dispose of their obligations for the take-or-pay
18 contracted coal at DEVCO's expense. So that's the nature
19 of that second condition.

20 It is not probably in much of the earlier
21 negotiating parameters because I think it was a late-
22 arriving thought or an exposure that had been highlighted
23 and needed to be closed off.

24 The third was an issue that had also arisen
25 concerning the Nova Scotia government's intentions on