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December 17, 2004

Hervé Lamarre
Hydro-Quebec Distribution
22^e étage
75, boul. René-Lévesque Ouest
Montreal, Quebec
H2Z 1A4

Dear Hervé:

RE: Régie Decision D-2004-245 Information Requests

I am writing with respect to the recent decision D-2004-245 of the Régie and specifically the information request as per the enclosed document. Emera Energy Inc. has the following comments with respect to the information requests:

1. The information being requested is highly confidential to Emera Energy. We do not have a problem supplying the information in a confidential manner, however, it should only be reported publicly in an aggregate monthly format so as to mask the individual companies and transaction specific terms when supplying Hydro Quebec Distribution.
2. The other concern of Emera Energy would be how the "market price" is determined. Presumably the transaction with the counter-party chosen by Hydro-Quebec Distribution is at market prices, otherwise they would have not entered into the transaction. Emera Energy has concerns that "market price" can be subjective, and unless a clearly defined process is implemented to calculate the "market price", the value may have little meaning when comparing to the "transaction price".

If you have any questions or concerns on the comments contained within this letter, please do not hesitate to call.

Sincerely,

Don Jessome, P.Eng, MBA
Director, Power Origination
Emera Energy Inc.

DJ/srs
Encl.
c: file

