

1    Q.    Page 13 of Exhibit DWR-1 notes that further discussions between  
2           Newfoundland Power and NLH on such matters as service areas, or  
3           transfers of ownership of significant assets are premature until such time as  
4           the Government's Energy Policy Review is finalized. Does NLH still believe  
5           this to be the case? Would such discussions perhaps provide the  
6           Government with useful input to its Energy Policy Review?

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9    A.    Yes, Hydro still believes this to be the case. Further discussions on such  
10          matters as service areas or transfer of ownership of significant assets would  
11          not be helpful until such time as there is Government direction.