

1   **Q.**     **(Re: 2001 report, page 11, employee future benefits)**  
2

3           **Please confirm that Hydro's obligation for future benefits are unfunded, i.e. there**  
4           **are no plan assets, and that the higher interest expense in 2001 relates solely to the**  
5           **higher balance of the obligation.**  
6

7   **A.**     There are no plan assets associated with Hydro's obligation for future employee benefits,  
8           therefore the obligation is unfunded, and the higher interest expense in 2001 does relate  
9           to the higher balance of the obligation.