

1 Q. (Re: 2002 Report, page 7 and 2003 GRA report, page 15)  
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3 Please confirm that Churchill Falls (Labrador) Corporation adopted new  
4 recommendation for foreign exchange, not Hydro.  
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7 A. As indicated in the consolidated financial statements for Newfoundland and Labrador  
8 Hydro for the year ended December 31, 2002, Hydro's subsidiary CF(L) Co. adopted the  
9 new recommendation for foreign exchange. As a result, Hydro's investment in CF(L) Co  
10 was retroactively adjusted to account for the adoption of this recommendation.  
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12 As a point of clarification, the adoption of this recommendation by CF(L)Co does not  
13 impact the regulated operations of Hydro.