

1 Q. In the light of NLH's projected rate base changes for its regulated Hydro
2 activities and the operation of the sinking funds for the Hydro debt and other
3 adjustments (if any) to the capital structure of the Company's regulated
4 Hydro operations, please provide an estimate of the gross size of the new
5 debt financing that NLH will have to undertake, over each of the years 2006
6 through 2010, to support the regulated Hydro operations.

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9 A. Details of changes in Hydro's debt profile for the 2006 and 2007 forecast
10 years are contained in NP 97 NLH. Hydro has not budgeted specific debt
11 requirements beyond the 2007 year. A general indicator of funding
12 requirements beyond that timeframe is obtained from Hydro's five-year
13 financial projection, which is currently being updated. Hydro's next major
14 refinancing is due to occur in 2008 with the maturity of the Series AA
15 debenture having a face value of \$200 million. Following that, there are no
16 other major forecast refinancings until 2014.