

Further to P.U.B. 18, in reference to the Company's network infrastructure:

Q. What components of this structure are revenue generating?

A. The Company's network infrastructure is central to the operation of the electrical system. It is therefore closely connected to the generation of revenue from the delivery of electricity to customers. In addition, network infrastructure allows for more efficient management of the customer service interface, including functions such as meter reading, billing and customer inquiry. The customer service interface is an integral part of the electrical service provided to Newfoundland Power's customers. Under cost of service regulation, reducing the cost of providing customer service tends to reduce rates.

Network capacity is not sold to third parties for the purpose of generating revenue.