

1 **Changes in Deferred Charges**

2

3 **Q. Provide a copy of the most recent actuarial valuation of NP's pension funding.**

4

5 A. Attachment A is the Summary of Results contained in the *Report on the Actuarial*
6 *Valuation for Funding Purposes as at December 31, 2000* (the "Report") prepared by
7 Mercer Human Resource Consulting ("Mercer") at the request of Newfoundland Power
8 Inc.

July 2002

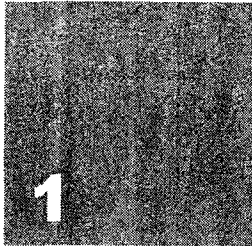
**Report on the Actuarial Valuation
for Funding Purposes
as at December 31, 2000**

NEWFOUNDLAND POWER INC.

RETIREMENT INCOME PLAN

MERCER

Human Resource Consulting



Summary of Results

Going Concern Financial Position	December 31, 2000	December 31, 1998
Actuarial value of assets	\$158,105,000	\$123,189,000
Actuarial liability	(186,024,000)	(142,480,000)
Funding excess/(unfunded liability)	\$ (27,919,000)	\$ (19,291,000)
Solvency Financial Position	December 31, 2000	December 31, 1998
Market value of assets	\$162,491,000	\$126,353,000
Termination expense provision	(100,000)	(100,000)
Present value of special payments	27,595,000	19,737,000
Adjusted solvency assets	\$189,986,000	\$145,990,000
Solvency liabilities	135,063,000	(125,946,000)
Solvency excess/(deficiency)	\$54,923,000	\$20,044,000
Transfer/Solvency Ratio	100%	100%
Wind-Up Financial Position	December 31, 2000	December 31, 1998
Market value of assets	\$162,491,000	\$126,353,000
Termination expenses	(100,000)	(100,000)
Total wind-up liabilities	(135,063,000)	(125,946,000)
Wind-up excess/(deficiency)	\$27,328,000	(\$307,000)

**Report on the Actuarial Valuation
for Funding Purposes as at
December 31, 2000**

Newfoundland Power Inc.

Funding Requirements (annualised)	2001	1999
Total current service cost	\$4,186,000	\$3,233,700
Estimated member required contributions	(1,167,000)	(1,214,000)
Estimated Company current service cost	\$3,019,000	\$2,019,700
Company current service cost as a percentage of member pensionable earnings	9.65%	6.11%
Minimum special payments	\$7,834,000	
Estimated minimum employer contribution for year	\$10,853,000	
Estimated maximum employer contribution for year	\$30,938,000	