

Distribution

Q. How many transformers will NP need to replace with new cooling units over the next 5 years?

A. The Company has not determined the specific number of transformers that will require the replacement of their cooling radiators over the next five years.

Approximately 80 power transformers are currently equipped with non-galvanized radiators. The majority of the radiators are in the 25 to 40 year age range. The average age of the radiators to be replaced in 2004 is approximately 30 years, hence the Company expects that further replacements will be required.

For forecast purposes, the Company expects that two to three radiators will require replacement each year. The decision of which, if any, radiators will actually be replaced will be based on the physical condition of the radiators, such as rust, leaks and metal thickness. The latter will be determined using ultrasonic testing. In all cases, replacement timing will reflect environmental due diligence.