

1 **Q. Section 3.2.6 Income Taxes - Footnote 32 states that the statutory tax rate in 2010 is**
2 **32%. Is it currently expected that the statutory tax rate will decrease in 2011 and**
3 **2012? How is the Company proposing to ensure that customers receive the benefit**
4 **of any such tax reductions beyond 2010?**

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6 A. The statutory tax rates for 2010, 2011, and 2012 are expected to be 32%, 30.5%, and 29%
7 respectively.

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9 Please refer to Attachment A of response to Request for Information CA-NP-43, which is
10 the Company's five year financial forecast that incorporates these statutory tax rates. It is
11 currently forecast that in the years 2011 through 2013, Newfoundland Power will not
12 recover all of its forecast costs.