

1 **Q. Re: Exhibit 3, Line 7 - Deferred Replacement Energy Costs. Line 7 shows that the**
2 **Company is recovering \$598,000 (in replacement energy costs related to the Rattling**
3 **Brook Hydro Plant Refurbishment Project). Given that this recovery ends in 2010**
4 **pursuant to P.U. 32 (2007), how is the Company proposing to ensure that customers**
5 **receive the benefit of the elimination of this expense after 2010.**

6
7 A. Please refer to the response to Request for Information CA-NP-43 which is the
8 Company's five year financial forecast (the "financial forecast"). This financial forecast
9 reflects the conclusion of the deferred recovery of replacement energy costs related to the
10 Rattling Brook Hydro Plant Refurbishment Project.

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12 In 2011, the conclusion of *all* regulatory amortizations, including revenue amortizations,
13 that were approved for the period 2008 through 2010 in Order No. P.U. 32 (2007), results
14 in a *net increase* in Newfoundland Power's 2011 costs. It is currently forecast that in the
15 years 2011 through 2013, Newfoundland Power will not recover all of its forecast costs.