

Q. Reference: Page 3-4, Other Revenue

(a) Please provide details of the gain on sale of property, including a description of the property, the prior use of the property, and the reasons for its sale in 2009 as opposed to an earlier or later year.

(b) Was this gain recognized for rate-setting purposes at any time?

(c) Please explain NP's position with respect to the sharing of gains and losses on the disposition of property between the company and customers.

A. (a) The property referred to is situated on Kenmount Road in St. John's. A description is contained in Attachment A.

The sale price of the property was \$618,000. It had a book value of \$234,000.

The property was part of the land assembled for the Company's head office facilities.

The timing of the 2009 sale was principally the result of an adjacent property owner's expansion of its business facilities.

(b) No.

(c) Newfoundland Power is not aware of any prior incidence of *sharing* of gains and losses on disposition of property in the regulatory practice in Newfoundland and Labrador.

In Order No. P.U. 36 (1998-1999), the Board ordered that the Company's forecast ratebase for 2000 would be reduced by the \$487,000 book value of property located at Duffy Place in St. John's should it not be used for regulated purposes by 2000. Historically, the financial impacts of such *ad hoc* land sales have been treated as miscellaneous revenue or losses.

The treatment on the gain on the sale of property in 2009 is consistent with past regulatory practice in this jurisdiction.

Hawco King Renouf Survey
Kenmount Road/Old Penneywell Road, St. John's, NL

Hawco King Renouf Ltd.

Surveys & Engineering Consultants

ENGINEERS - SURVEYORS - HYDROGRAPHERS

January 2009
Job No. 08-416-1

DESCRIPTION

Kenmount Road/Old Pennywell Road

St. John's, NL

ALL that piece or parcel of land situate and being on the southern side of Kenmount Road and the northern side of Old Pennywell Road at St. John's, Newfoundland & Labrador, in the electoral district of St. John's North, and being bounded and abutted as follows, that is to say:

BEGINNING at a point on the southern side of Kenmount Road at St. John's, said point having coordinates of North 5 268 829.953 metres and East 323 261.274 metres in the Modified Three Degree Transverse Mercator Projection for the province of Newfoundland and Labrador, Zone One;

THENCE running along the southern side of Kenmount Road, North 72° 52' 33" East, 16.654 metres;

THENCE turning and running along the land of Newfoundland Light & Power Co. Limited, Civic No. 55 Kenmount Road, roll 667 frame 1626 and roll 229 frame 1373, South 12° 47' 56" East, 12.527 metres; thence North 70° 15' 18" East, 12.011 metres; thence South 10° 01' 00" East, 50.539 metres; thence South 18° 19' 07" East, 38.975 metres; thence South 6° 51' 01" East, 127.546 metres;

THENCE turning and running along the land of Phillip Finlay, Civic No. 80 Neptune Road, roll 2282 frame 756, and partially along the land of Cheryl Dyke, Civic No. 82 Neptune Road, Registration No. 58861, South 06° 02' 45" East, 25.892 metres;

THENCE turning and running along the land of Cheryl Dyke, Civic No. 82 Neptune Road, Registration No. 58861 and partially along the land of David & Brenda Lucas Civic No. 83 Neptune Road, roll 664 frame 757, South 14° 09' 41" East, 33.373 metres;

THENCE turning and running along the land of David & Brenda Lucas, Civic No. 83 Neptune Road, roll 664 frame 757, South 13° 40' 56" East, 23.206 metres;

THENCE turning and running along the land now or formerly of Isabel Walters and the land of Robert Clancy, roll 1661 frame 1759, South 09° 12' 10" East, 50.396 metres;

THENCE turning and running along other land of Newfoundland Light & Power Co. Limited, South 75° 06' 16" West, 10.666 metres; thence South 14° 53' 44" East, 6.508 metres;

THENCE turning and running along the northern side of Old Pennywell Road, South 72° 25' 54" West, 159.886 metres;

Hawco King Renouf Ltd.

Surveys & Engineering Consultants

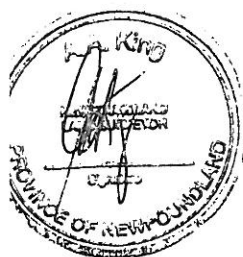
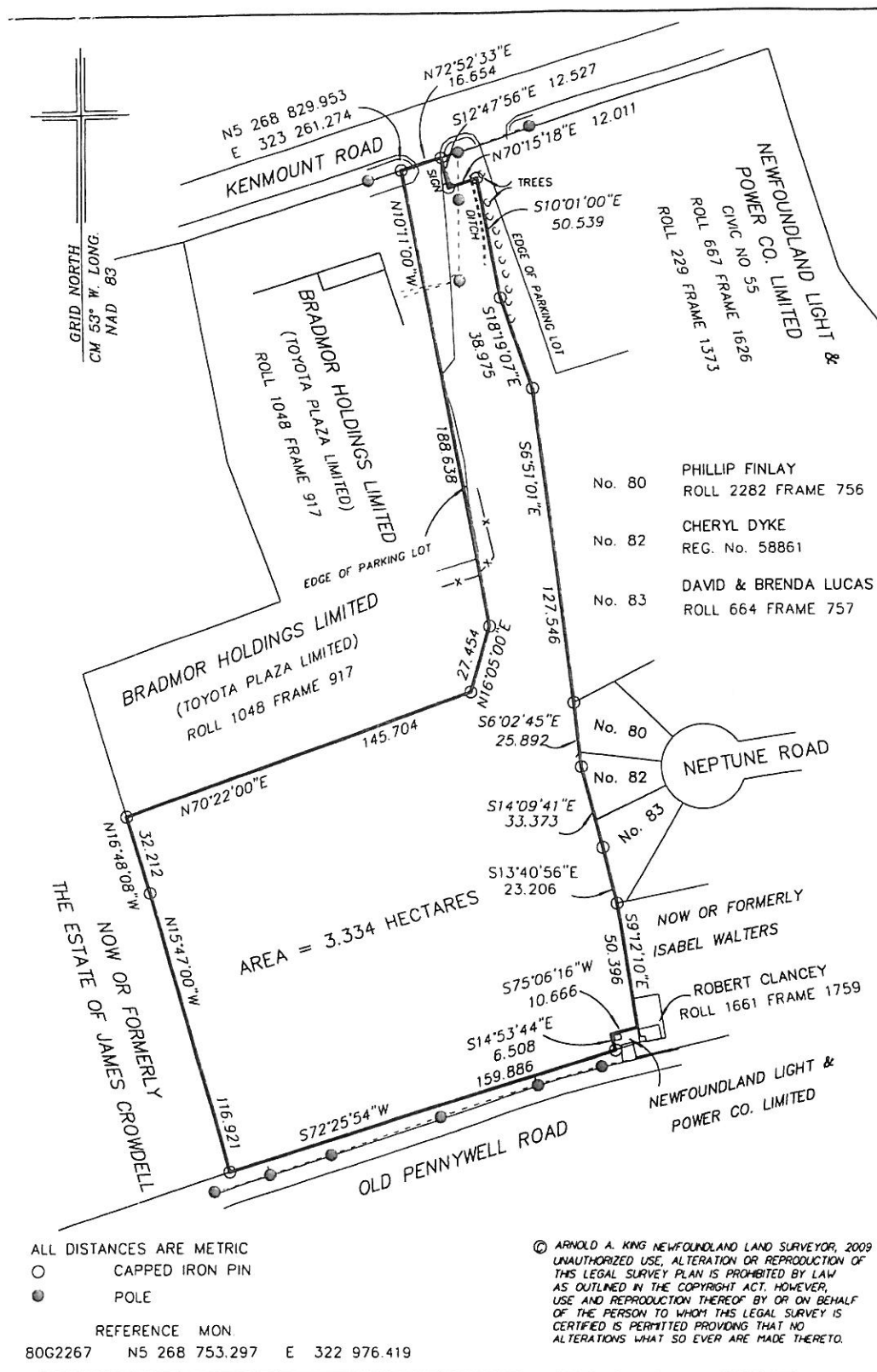
ENGINEERS - SURVEYORS - HYDROGRAPHERS

THENCE turning and running along the land now or formerly of the Estate of James Crowdwell, North $15^{\circ} 47' 00''$ West, 116.921 metres; thence North $16^{\circ} 48' 08''$ West, 32.212 metres;

THENCE turning and running along the land of Bradmor Holdings Limited, roll 1048 frame 917, North $70^{\circ} 22' 00''$ East, 145.704 metres; thence North $16^{\circ} 05' 00''$ East, 27.454 metres; thence North $10^{\circ} 11' 00''$ West, 188.638 metres, more or less, to the point of commencement, and containing an area of 3.334 hectares, as shown on the attached plan, Job No. 08-416-1 dated January 2009.

All bearings are Grid bearings referred to Grid North. All distances are horizontal ground distances.





Hawco King Renouf Limited
NEWFOUNDLAND LAND SURVEYORS CANADA LANDS SURVEYOR
ST. JOHN'S - NEWFOUNDLAND

NEWFOUNDLAND POWER
KENMOUNT ROAD/OLD PENNYWELL ROAD ST. JOHN'S

Scale 1 : 2000

Date JAN. 2009

Surveyed By C.H. & A.K.

Job No. 08416-1