

1 **Q. Further to the reply to CA-NP-50, the Company, at lines 22 to 25 states:**

2
3 **“However, such a course of action would fully acquit the solvency**
4 **deficiency which existed in the pension plan as at Dec 31, 2008,**
5 **assuming pension plan asset performance met plan expectations over**
6 **the next 5 years.¹”**

7
8 **(a) What are the plan’s performance expectations over the next 5 years?**

9
10 **(b) With reference to footnote 2, what is the plan’s expectations as regards**
11 **salary increases?**

12
13 **A. (a) Newfoundland Power’s expected return on the defined pension plan assets for**
14 **2009 to 2013 is 7.0% per year.**

15
16 **(b) Newfoundland Power’s expected rate of compensation increase for participants in**
17 **the pension plan for 2009 to 2013 is 4.0% per year.**