

**Q. Reference: section 3.1 OPEBs Costs Overview**

**Section 3.1 states that the OPEB’s “obligation will change over time as a result of four principal factors.” The four factors are identified in the subsequent paragraph. Please confirm that NP will determine annually its accrued obligation based on the then current Plan benefits, and the current assumptions including the discount rate. If this is not correct, please explain.**

**A. Confirmed.**

As indicated at Section 3.1 *OPEBs Costs Overview*, page 2, in Newfoundland Power’s evidence, the value of Newfoundland Power’s accrued OPEBs obligation and OPEBs costs are determined annually by the Company’s actuary, Mercer (Canada) Limited, using then current OPEBs plan benefits, discount rate and other assumptions.