

- 1 **Q. What, if any, feedback has NP received from the Board and/or its financial advisors**
2 **regarding the report, “A Report on the Stand-Alone Credit of Newfoundland**
3 **Power” filed on June 30, 2004.**
4
- 5 A. Attachment A contains an exchange of correspondence between the Board and the
6 company related to *A Report on the Stand-Alone Credit of Newfoundland Power*.
7
- 8 No further feedback has been received by the Company from the Board or its financial
9 advisors relating to this report.

**Exchange of Correspondence between
the Board and the Company
related to *A Report on the Stand-Alone
Credit of Newfoundland Power***



FAXED
Sept 28/04

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, NL
Canada, A1A 5B2

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OCT 4 2004

2004-09-28

FAX: 737-2974

Newfoundland Power Inc.
55 Kenmount Road
P. O. Box 8910
St. John's, NL
A1B 4K7

Attention: Mr. Gerard Hayes
Senior Counsel

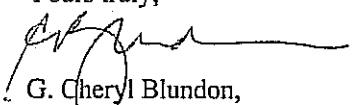
Dear Mr. Hayes:

**Re: Compliance Item with Board Order P.U. No. 19 (2003)
A Report on Stand Alone Credit of Newfoundland Power**

The Board acknowledges receipt of the above noted report filed in compliance with P.U. 19 (2004). The Board notes that Newfoundland Power has advised that it is continuing its assessment in relation to its stand-alone credit and expects that a report will be completed before year-end. The Board is requesting that the results of this review and the steps that the company intends to take to ensure its stand-alone status be filed with the Board by January 15, 2005.

If you have any questions or require further clarification please contact the undersigned.

Yours truly,


G. Cheryl Blundon,
Board Secretary.

I:\NF- POWER\Compliance Items PU 19 (2003)\Request for additional report Jan 15,051.doc

HAND DELIVERED

January 14, 2005

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

**Re: Compliance Item with Board Order P.U. 19 (2003)
A Report on the Stand-Alone Credit of Newfoundland Power**

On June 30, 2004 Newfoundland Power filed a report (the "Report") on its stand-alone credit status with the Board. In the Report, Newfoundland Power indicated that it was continuing its assessment in relation to its stand-alone credit status and that it expected a final report to be completed by year-end. In its September 28, 2004 letter to Newfoundland Power, the Board requested that the results of this review and the steps that Newfoundland Power intends to take to ensure its stand-alone credit status be filed with the Board by January 15, 2005.

One of the issues identified in the Report was the possible establishment by Newfoundland Power of committed credit arrangements. The Company expects to conclude such arrangements in the next week or so, however, the establishment of committed credit arrangements did take the Company longer than was expected at the time of filing the Report. This, in turn, has delayed the Company's completion of the steps necessary to ensure the maintenance of its stand-alone financial integrity beyond the end of 2004 as envisaged in the Report.

The Company now expects to complete the necessary steps to ensure maintenance of its stand-alone financial integrity by the end of the 1st Quarter of 2005. Accordingly it expects to be in a position to file a further report on this matter by April 15, 2005.



Join us in the fight against cancer.

Board of Commissioners
of Public Utilities
January 14, 2005
Page 2 of 2

We trust the foregoing is satisfactory, however, if you have any questions, please feel free to contact the undersigned at your convenience.

Yours very truly,



Peter Alteen
Vice President, Regulatory Affairs
& General Counsel

Enclosures



Join us in the fight against cancer.