

1 **Volume 2, Tab 4 – A Report on Employee Future Benefits**

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3 **Q. In light of past tax disputes with the Canada Revenue Agency, has NP obtained an**
4 **Advance Ruling form (sic) that Agency as to whether its current proposal to “tax**
5 **effect” OPEB’s and pension expense effective January 1, 2008 is appropriate? If**
6 **yes, please provide the same. If no, explain the justification for not obtaining the**
7 **same.**

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9 A. Newfoundland Power has not obtained an advance ruling from the Canada Revenue
10 Agency with respect to this matter.

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12 Newfoundland Power’s proposals to tax-effect OPEBs and pension expense will have no
13 impact on the amount or timing of income tax actually paid by the Company. The
14 proposals impact the *accounting* for OPEBs and pension expense.

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16 Accordingly, there is no basis upon which an advance ruling, or any other ruling, might
17 be sought from the Canada Revenue Agency in relation to the matter.