

- 1 **Q. Reference: CA-NP-147, Attachment A, Section D. 2.3, p. 14: NP states, "Following**
2 **full consideration and, if appropriate, the establishment of committed Operating**
3 **Lines, there may be little else Newfoundland Power can or should do to more**
4 **effectively ensure its stand alone status." As part of the "full consideration" please**
5 **describe what investigations NP took leading up this 30 June 2004 report or since to**
6 **determine what other utilities have done to achieve and preserve stand-alone status.**
7
- 8 A. Newfoundland Power observes that the Board's direction in Order No. P.U. 19 (2003) for
9 Newfoundland Power to take all appropriate steps necessary to preserve the financial
10 integrity and independence of the utility was unique. Newfoundland Power is not aware
11 of a similar regulatory direction having ever been given to another Canadian utility.
12
- 13 In *A Report on the Stand-Alone Credit of Newfoundland Power* (Attachment A to the
14 response to CA-NP-147), Newfoundland Power describes its investigations regarding the
15 matter of parent-subsidiary credit linkage up to June 30, 2004. Since that time,
16 Newfoundland Power has monitored regulatory developments; however, no similar
17 regulatory direction to that included in Order No. P.U. 19 (2003) has come to the
18 Company's attention, so no further inquiry along the lines suggested in the question has
19 been undertaken.