

1 **Volume 1, Section 2 – Customer Operations**

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3 **Q. Please state what NP’s Test Year forecast is in respect of the US/Canadian dollar**  
4 **exchange rate and the source of this forecast. Please state whether, and if so how,**  
5 **NP’s proposed Test Year revenue requirement is directly impacted by the exchange**  
6 **rate.**

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8 A. Newfoundland Power’s Test Year forecast and proposed Test Year revenue requirement  
9 are not impacted by the US/Canadian dollar exchange rate.

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11 Newfoundland Power’s foreign exchange transactions are not material. None of the  
12 Company’s long term debt is denominated in \$US; and, in 2006 for example,  
13 approximately only 50 out of 23,000 accounts payable transactions (less than 1%) were  
14 paid in \$US. The total dollar value of the \$US exchange recorded in 2006 was  
15 approximately \$56,000. Of this, approximately \$22,000 pertained to the execution of the  
16 Company’s capital expenditure program, with the remaining balance (approximately  
17 \$34,000) being charged to operating accounts.