

1 **NP-CA-93**

2 **Reference: Page 22, Lines 12-14 and Page 24, Lines 12-13**

3 **Q. OPEBs are a cost of providing service to customers. The cash and**  
4 **accrual methods of accounting for OPEBs affect the *timing* of the recovery**  
5 **of OPEBs liabilities. Does Mr. Todd agree that the choice of accounting**  
6 **methodology is unrelated to operational benefits?**

7

8 A. The choice of accounting methodology is unrelated to operational benefits  
9 that are transparent to customers.

10 From the company's perspective, cash flow is an operational issue. Adoption of  
11 the accrual method of accounting for OPEBs will have an operational benefit for  
12 NP from the cash flow perspective.