

1 **Island Pond Development – Feasibility Update, p. B-5, \$998,000**

2 Q. How have recent developments regarding the proposed activities of Industrial
3 Customer of NLH impacted NLH's forecasts concerning the anticipated
4 deficits in capacity and energy expected to occur in the 2009 timeframe?

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7 A. The recent announcements by Abitibi Consolidated Inc. (ACI) of the
8 scheduled closure of the Stephenville mill and of the #7 paper machine at the
9 Grand Falls mill will, should they occur, result in a lower load forecast and a
10 delay in the timing of future capacity and energy deficits until 2012 and
11 possibly as late as 2014 pending a decision by ACI regarding the
12 modernization of the remaining paper machine in Grand Falls.