

1 **Q. Exhibit BVP-23, page 4, states that Newfoundland Power proposes to adopt the**
2 **market-related value method to calculate the expected return on pension assets**
3 **effective January 1, 2003. It also proposes that changes to the fair market value of**
4 **pension plan assets be reflected in pension expense over three years. The table given**
5 **only shows a pension plan expense comparison for two years. Please provide a five-**
6 **year comparative analysis.**

7
8 A. Table 1 below provides the estimated pension expense for the Company's defined benefit
9 pension plan under the fair market value method and the market-related value method for
10 the five-year period from 2003 to 2007.
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Table 1 Pension Plan Expense Under Alternate Accounting Methods		
Year	Fair Market Value Method	Market-Related Value Method
2003	\$ 4.5 million	\$ 3.3 million
2004	3.6 million	3.4 million
2005	2.7 million	2.9 million
2006	1.7 million	1.9 million
2007	0.6 million	0.9 million