

1 **Q. Is there any evidence that Newfoundland Power's monopoly position in the**
2 **provision of electricity will be challenged by competition in the next 5 years?**

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4 A. Newfoundland Power does not presently possess any specific evidence that its role in the
5 provision of electricity will be challenged by competition in the next five years.

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7 However, in 1998 the Government of Newfoundland and Labrador initiated an Electricity
8 Policy Review to examine within the Province, the structure of the electricity industry, its
9 regulation, pricing, how electricity could contribute to the province's economic
10 development, and future sources of electricity generation that may be available. In 2002
11 a public consultation process, involving officials from the Department of Mines and
12 Energy and an independent consultant, was completed and a copy of the report submitted
13 to Government for review. Government has not yet indicated what changes, if any, will
14 be implemented as a result of the Electricity Policy Review.