

- 1 **Q. (Reference PUB-NP-010) It is stated "As described above, Newfoundland Power**  
2 ***intends to continue managing its capital and operating costs in a manner consistent***  
3 ***with maintaining reliable, least-cost service to its customers in all operating***  
4 ***environments and economic conditions."***  
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6 **a) In a competitive environment do businesses adapt to negative operating**  
7 **environment and economic conditions or do they disregard these negatives**  
8 **with a continued expectation that customers will not make any adjustments**  
9 **themselves to these negatives?**  
10 **b) Is it the role of the Board and the regulatory process to ensure that the**  
11 **Province's electric utilities respond appropriately to the existing current**  
12 **economic situation in the province, or do the utilities also bear some of this**  
13 **responsibility?**  
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15 **A. a) Newfoundland Power is not in a position to make a universal statement regarding**  
16 **how businesses operating in competitive environments may choose to adapt to**  
17 **particular environmental and economic conditions. It is expected that the**  
18 **strategic decisions of these businesses would vary widely.**  
19  
20 **b) See part (d) to Request for Information CA-NP-194 for a discussion on the**  
21 **respective roles of the Board and utilities.**