

THESI INTERROGATORY #9

INTERROGATORY

Reference: Report of John Todd, filed September 26, 2003, Page 5, Lines 9-15

- (a) Will non-incumbent distributors be subject to price regulation?
- (b) After the distribution system has been installed in a given area, will the incentives for innovation be any different for a new distributor versus an incumbent distributor?

RESPONSE

- a) Yes, non-incumbent distributors will be subject to regulation.
- b) The incentive to be innovative is a consequence of competition rather than a consequence of new versus incumbent distributor. Therefore as long as there continues to be competition for development there will continue to be innovation and existing customers should benefit from that competition.

