

1 Q. If the answer to the immediately preceding RFI is “no”, please explain. If the
2 answer to that RFI is “yes”, “usually”, or “sometimes”, then is it not
3 reasonable to expect that, on average, Hydro will be able to issue new debt
4 during the Test Year at a rate somewhat lower than the average rate
5 required during the first ten days of the previous October, if there is no trend
6 in the general level of interest rates or Hydro’s credit spread over the
7 intervening period? Please provide your comments on this proposition.

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10 A. The flexibility in issuance timing referred to in response to CA 99 NLH
11 provides Hydro with some latitude in timing of the debt issue, but such
12 latitude does not necessarily mean that on average, Hydro will be able to
13 issue new debt at rates that are lower than those that existed during October
14 of the previous year. Hydro is not aware of statistical or other evidence that
15 would support the proposition as suggested.