

1 **Q. Please provide the monthly yield on the Company’s first mortgage bond and the**
2 **equivalent maturity long Canada bond yield since 2000.**

3
4 A. There is no observable market yield on the Company’s First Mortgage Bonds. This is
5 because the securities are not openly traded.

6
7 Table 1 provides a comparison of the monthly equivalent yield on Newfoundland
8 Power’s bonds and the Long Canada Bond Yield from December 2005 to November
9 2015. The monthly equivalent yield is, in effect, a monthly expression of the Company’s
10 embedded cost of debt.

11
12 Newfoundland Power is unable to provide data from 2000 to 2005 on the Long Canada
13 Bond Yield as the Bank of Canada website only provides the most recent 10 years of
14 data.

Table 1
Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2005-12	8.56%	4.02%
2006-01	8.42%	4.20%
2006-02	8.42%	4.15%
2006-03	8.42%	4.23%
2006-04	8.42%	4.57%
2006-05	8.42%	4.50%
2006-06	8.42%	4.67%
2006-07	8.42%	4.45%
2006-08	8.42%	4.20%
2006-09	8.42%	4.07%
2006-10	8.42%	4.24%
2006-11	8.42%	4.02%
2006-12	8.42%	4.10%

¹ This is the monthly equivalent long term bond yield for Newfoundland Power. It is determined based on the annual yield and is calculated as $12 \times (((1+(Y/2)^{(1/6))}-1)$ where Y is the annual yield on Newfoundland Power long term bonds.

² As reported on the Bank of Canada website.

Table 1
Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

(Cont'd)

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2007-01	8.35%	4.22%
2007-02	8.35%	4.09%
2007-03	8.35%	4.21%
2007-04	8.35%	4.20%
2007-05	8.35%	4.39%
2007-06	8.35%	4.56%
2007-07	8.35%	4.49%
2007-08	8.35%	4.44%
2007-09	8.35%	4.50%
2007-10	8.35%	4.38%
2007-11	8.35%	4.23%
2007-12	8.35%	4.18%
2008-01	7.73%	4.19%
2008-02	7.73%	4.18%
2008-03	7.73%	3.96%
2008-04	7.73%	4.08%
2008-05	7.73%	4.12%
2008-06	7.73%	4.05%
2008-07	7.73%	4.16%
2008-08	7.73%	4.01%
2008-09	7.73%	4.13%
2008-10	7.73%	4.27%
2008-11	7.73%	3.94%
2008-12	7.73%	3.45%
2009-01	7.74%	3.72%

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Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

(Cont'd)

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2009-02	7.74%	3.69%
2009-03	7.74%	3.74%
2009-04	7.74%	3.82%
2009-05	7.74%	4.19%
2009-06	7.74%	3.91%
2009-07	7.74%	4.05%
2009-08	7.74%	3.90%
2009-09	7.74%	3.84%
2009-10	7.74%	3.96%
2009-11	7.74%	3.85%
2009-12	7.74%	4.07%
2010-01	7.57%	3.96%
2010-02	7.57%	4.05%
2010-03	7.57%	4.07%
2010-04	7.57%	4.04%
2010-05	7.57%	3.68%
2010-06	7.57%	3.65%
2010-07	7.57%	3.77%
2010-08	7.57%	3.47%
2010-09	7.57%	3.33%
2010-10	7.57%	3.50%
2010-11	7.57%	3.65%
2010-12	7.57%	3.54%
2011-01	7.57%	3.75%

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Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

(Cont'd)

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2011-02	7.57%	3.75%
2011-03	7.57%	3.72%
2011-04	7.57%	3.74%
2011-05	7.57%	3.50%
2011-06	7.57%	3.53%
2011-07	7.57%	3.35%
2011-08	7.57%	3.10%
2011-09	7.57%	2.83%
2011-10	7.57%	3.02%
2011-11	7.57%	2.69%
2011-12	7.57%	2.50%
2012-01	7.57%	2.64%
2012-02	7.57%	2.60%
2012-03	7.57%	2.67%
2012-04	7.57%	2.65%
2012-05	7.57%	2.33%
2012-06	7.57%	2.32%
2012-07	7.57%	2.22%
2012-08	7.57%	2.37%
2012-09	7.57%	2.33%
2012-10	7.57%	2.38%
2012-11	7.57%	2.30%
2012-12	7.57%	2.37%
2013-01	7.12%	2.57%

Table 1
Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

(Cont'd)

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2013-02	7.12%	2.53%
2013-03	7.12%	2.49%
2013-04	7.12%	2.38%
2013-05	7.12%	2.65%
2013-06	7.12%	2.96%
2013-07	7.12%	2.97%
2013-08	7.12%	3.09%
2013-09	7.12%	3.09%
2013-10	7.12%	3.01%
2013-11	7.12%	3.14%
2013-12	7.12%	3.20%
2014-01	7.15%	2.94%
2014-02	7.15%	2.96%
2014-03	7.15%	2.96%
2014-04	7.15%	2.93%
2014-05	7.15%	2.76%
2014-06	7.15%	2.82%
2014-07	7.15%	2.70%
2014-08	7.15%	2.57%
2014-09	7.15%	2.73%
2014-10	7.15%	2.59%
2014-11	7.15%	2.48%
2014-12	7.15%	2.33%
2015-01	6.67%	1.93%

Table 1
Comparison of Monthly Bond Yield To
Long Term Canada Bond Yield
2005-2015

(Cont'd)

<u>Month</u>	<u>NP Monthly Equivalent Yield¹</u>	<u>Long Canada Bond Yield²</u>
2015-02	6.67%	1.95%
2015-03	6.67%	1.97%
2015-04	6.67%	2.19%
2015-05	6.67%	2.25%
2015-06	6.67%	2.38%
2015-07	6.67%	2.20%
2015-08	6.67%	2.20%
2015-09	6.67%	2.21%
2015-10	6.67%	2.26%
2015-11	6.67%	2.29%