

- 1 **Q. Coyne Evidence: Can Mr. Coyne explain why instead of his interest rate forecast**
2 **it is not better to simply automatically adjust the ROE for future changes in the**
3 **forecast long Canada bond yield as in the automatic adjustment formula?**
4
- 5 A. See pages 32-33 of Concentric's report for discussion of the automatic adjustment
6 formula. In particular, as noted on page 33, the Board has previously observed that an
7 automatic adjustment formula may not result in a fair return for Newfoundland Power in
8 the current low interest rate environment. Therefore, the Board declined to reinstate the
9 formula in its Decision and Order in P.U. 13(2013).