

- 1 **Q. Coyne Evidence: The discussion of NP’s business risk mirrors that of the**
2 **company. Please**
3
- 4 **a. Indicate the timing of and the participation in the meetings that took**
5 **place between Concentric and NP staff (both face and by conference call).**
6 **b. Please provide copies of all materials that NP passed to Mr. Coyne to brief**
7 **him on NP’s business risk.**
8 **c. Please indicate any substantive differences in the judgement of NP and Mr.**
9 **Coyne in terms of NP’s business risk**
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- 11 **A. a. Mr. Coyne first discussed the cost of capital report and the business risk**
12 **assessment with Newfoundland Power in June 2014. Since that time, there have**
13 **been ongoing conference calls between Mr. Coyne and Newfoundland Power to**
14 **discuss the specific factors that affect the business risk of Newfoundland Power.**
15 **Those calls began in November 2014 and concluded in October 2015, prior to the**
16 **filing of Mr. Coyne’s report.**
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- 18 **b. Newfoundland Power provided Mr. Coyne with the following documents related**
19 **to the Company’s business risk:**
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- 21 **a. Reports from the Conference Board of Canada on long-term and medium**
22 **term outlook for economic conditions in Canada**
23 **b. NP’s 2015 Capital Plan filed June 2014 with the PUB**
24 **c. DBRS report on NP – August 2014 and August 2015**
25 **d. Moody’s report on NP – January 2014 and January 2015**
26 **e. Historical credit ratings, debt costs, authorized and earned ROE, and**
27 **deemed equity ratios for NP**
28 **f. PUB Interim Report on Supply Issues - May 2014**
29 **g. NP Interim Report on Supply Issues – March 2014**
30 **h. Muskrat Falls Update Sept 2014 – Released November 2014**
31 **i. Grant Thornton Report on Cost of Capital for NP – November 2012**
32 **j. NL Dept. of Natural Resources Report on Rate Impact of Muskrat Falls –**
33 **November 2012**
34 **k. Liberty Consulting Report on NLH – December 2014**
35 **l. Liberty Consulting Report on NP – December 2014**
36 **m. Liberty Consulting Report on Prudence Review – July 2015**
37 **n. PUB’s Capital Budget Guidelines**
38 **o. NP credit metrics – 2012-2014**
39 **p. NLH 2014 average rate base**
40 **q. NP customers, rate base, and sales for 2014**
41 **r. Draft Supply Cost Mechanism Report for NP – dated October 2015**
42 **s. NP draft evidence on cost of capital and business risk**

1 To supplement Mr. Coyne's risk assessment, he also gathered and reviewed
2 publicly-available financial information, such as credit rating agency reports,
3 consolidated financial statements, annual information forms, annual shareholder
4 reports, SEC Form 10-K filings, MD&A, and investor presentations. Also, as
5 indicated in the response to CA-NP-158, Mr. Coyne reviewed past decisions of
6 the Public Utilities Board in Newfoundland and Labrador.

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8 The provision of copies of all materials which Newfoundland Power passed to
9 Mr. Coyne are not necessary for the purposes of a satisfactory understanding of
10 Mr. Coyne's evidence in this proceeding.

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12 c. Mr. Coyne does not believe there are any substantive differences between his
13 assessment of Newfoundland Power's business risk and the Company's
14 description of its business risk in its evidence filed in this proceeding.