

- 1 **Q. Reference: CA-NP-08**
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3 **NP was asked to graph the yield on its debt relative to its allowed ROE for each year**
4 **since 2005. Instead it used the embedded debt cost.**
5
6 **a) Please indicate whether this is the embedded debt yield as provided in**
7 **answer to CA-NP-16.**
8 **b) Does NP ascribe any information to the observation that the spread between**
9 **the allowed ROE and the embedded debt cost (if that is what it is) has**
10 **increased dramatically over the last several years?**
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12 **A. (a)** In Request for Information CA-NP-008, Newfoundland Power was asked to graph
13 the average annual yield on the Company's debt. The graph contained in
14 response to Request for Information CA-NP-008 includes the average annual
15 yield on the Company's long term debt which is equal to the annual interest on
16 long term debt divided by the average outstanding long term debt for each year
17 from 2005 through 2015.
18
19 Request for Information CA-NP-016 requests Newfoundland Power to provide
20 the trust agreement under which the company issues its first mortgage bonds.
21 Hence, there was no embedded debt yield provided in response to this request.
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23 **(b)** Please see the response to Request for Information CA-NP-305.