

- 1 **Q. Does Newfoundland Power consider it a viable option to add a bond yield threshold**  
2 **for operation of the formula similar to what was adopted by the BCUC in Decision**  
3 **L-53-13?**  
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- 5 A. Newfoundland Power observes that the formula adopted by the British Columbia Utilities  
6 Commission in Letter Decision L-53-13 (the “BCUC formula”) which was issued in  
7 September 2013 has never operated to adjust utility returns. This is because long Canada  
8 bond yields have not reached the threshold of 3.8% set out in the BCUC formula.  
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- 10 Because the BCUC formula has not operated, the viability of it to adjust utility returns  
11 appropriately cannot, in Newfoundland Power’s view, be meaningfully assessed.