

1 Q. Please provide the assumptions used in NP-NLH-251 (Rev 1) in regard to the NP RSP
2 deferred balance and timing for payout to Newfoundland Power's customers. How
3 is it assumed that this payout will be financed? What is the role of promissory notes
4 versus new long-term debt instruments?

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7 A. The assumption used in Hydro's response to NP-NLH-251 (Revision 1, Dec 19-14) in
8 regard to the RSP deferred balance is that the amount of approximately \$133
9 million is paid effective January 1, 2016. It is assumed that the payment will be
10 financed through the issuance of long-term debt.

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12 Hydro's promissory notes are utilized primarily to fund capital expenditures. The
13 assumption in NP-NLH-251 (Revision 1, Dec 19-14) is that once the balance of
14 promissory notes reaches \$200 million, all or a portion of the balance is refinanced
15 through the issuance of long-term debt. New long-term debt instruments are also
16 issued to refinance maturing debt not funded by sinking funds.