

1 **Volume 1, Section 3 – Finance**

2
3 **Q. (Section 3.3.3, The Automatic Adjustment Formula) Please provide, in tabular**
4 **form, the 10-year Canada bond yield forecasts for (i) three months forward and (ii)**
5 **one-year forward contained in the “Consensus Forecasts” publication for the**
6 **monthly issues corresponding to the one that the Company proposes to use (see**
7 **CA-18 above), for each year from 1985 through 2006.**

8
9 **A.** Table 1 below shows the 3-month and 12-month forecasts of the 10-year Canada bond
10 yield based on the November issue of the Consensus Forecasts for the years 1991
11 through 2006. Newfoundland Power does not have access to Consensus Forecasts data
12 before 1991.
13

Table 1
10-Year Canada Bond Yields
Consensus Forecast (November Issue)
1991 to 2006
(percent)

	3-month Forecast	12-month Forecast
1991	8.8	8.7
1992	7.8	7.6
1993	6.8	6.8
1994	9.2	8.8
1995	7.6	7.6
1996	6.5	6.5
1997	6.0	5.9
1998	5.2	5.3
1999	6.1	5.9
2000	5.9	5.8
2001	4.9	5.4
2002	5.3	5.7
2003	5.0	5.3
2004	4.9	5.2
2005	4.4	4.7
2006	4.1	4.2

14