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Q: Reference: Page 72, Lines 1-14

Other than the *pro forma* credit metrics provided, please provide all evidence to support the statement that an allowed return on equity of 7.4% to 7.8% will not affect Newfoundland Power's credit rating.

A: Dr. Cannon is at a loss to answer this question if he cannot refer to NP's projected credit metrics and how these may be impacted by various allowed equity returns. Dr. Cannon has considered the generally-favourable tone of the recent credit rating reports from DBRS and Moody's Investors Service (Volume 1, Exhibit 6 of the Company's Application). He is also aware that Beutel Goodman, a major institutional corporate bond investor, considers NP's 7.52%-coupon, November-2032-maturity bond to be a core holding in the corporate bond portfolios it assembles for institutional clients.