

- 1 Q. Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of
2 Laurence D. Booth, September 28, 2021, Appendix B, page 9, lines 6-16.
3
4 *“Further, we have to bear in mind that Canada is in a favourable position as*
5 *an AAA rated borrower that until recently had solved most of its structural*
6 *deficit problems... Typically, long Canada bonds have recently had yields*
7 *about 0.50% less than equivalent US Treasuries.”*
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9 a) When did Dr. Booth last update this appendix?
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11 b) What are the current Canadian and U.S. sovereign bond ratings?
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13 c) What are the current 10 and 30-year Canadian and U.S. Treasury bond
14 yields?
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16
17 A. a) Last changes were made September 23 but most of the data ends in December
18 2020.
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20 b) The S&P rating for Canada is AAA and for the US AA+
21
22 c) Please see the latest RBC report filed under NP-CA-005 Attachment 1, where the
23 latest spread has shrunk to 8 basis points but is expected to widen back to 25 basis
24 points. As the level of interest rates shrinks so to do spreads.