

- 1 **Q. Please provide the pre-tax interest coverage ratio, cash flow interest coverage ratio**
 2 **and cash flow debt coverage as on page 3-43 for each year since 2000.**
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 4 A. Table 1 provides ratios for pre-tax interest coverage, cash flow interest coverage and cash
 5 flow debt coverage since 2000.

**Table 1:
Credit Metrics
2000 to 2023E**

Year	Cash Flow Interest Coverage¹	Cash Flow To Debt¹	Pre-tax Interest Coverage
2000A	-	-	2.4
2001A	-	-	2.5
2002A	-	-	2.6
2003A ²	2.9	15.6%	2.4
2004A ²	3.0	16.0%	2.5
2005A ²	2.9	15.7%	2.4
2006A ²	2.7	14.1%	2.3
2007A ³	2.7	13.7%	2.2
2008A ³	3.0	15.8%	2.5
2009A ³	3.1	15.0%	2.4
2010A ⁴	3.5	18.5%	2.4
2011A ⁵	3.4	17.8%	2.4
2012A ⁶	3.5	16.9%	2.3
2013A ⁷	3.7	19.5%	2.3
2014A ⁷	3.9	18.6%	2.3
2015A ⁸	3.8	17.5%	2.3

¹ Moody's initial rating of Newfoundland Power Inc. was in June 2005. Data on cash flow interest coverage and cash flow to debt is unavailable prior to 2003.

² As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated March 5, 2007.

³ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated July 19, 2011.

⁴ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated January 19, 2015.

⁵ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated February 5, 2016.

⁶ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated February 3, 2017.

⁷ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated January 31, 2018.

⁸ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated January 31, 2019.

**Table 1:
Credit Metrics
2000 to 2023E
(Cont'd)**

Year	Cash Flow Interest Coverage	Cash Flow To Debt	Pre-tax Interest Coverage
2016A ⁹	4.0	18.0%	2.4
2017A ⁹	4.0	17.8%	2.5
2018A ⁹	4.2	18.7%	2.4
2019A ^{9,10}	4.0	17.4%	2.4
2020A ^{10,11}	4.6	21.1%	2.4
2021F ^{10,11}	4.9	20.6%	2.4
2022E ^{10,11,12}	4.7	18.7%	2.2
2023E ^{10,11,12}	5.0	19.2%	2.0

⁹ As reported in Moody's Credit Opinion Report on Newfoundland Power Inc. dated November 16, 2020.

¹⁰ As shown in Table 3-12 of the Application. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 3.2.8, Credit Metrics*.

¹¹ Cash flow metrics from 2020 to 2023 are positively impacted by the combination of current marginal energy costs and Newfoundland Power's declining energy sales. With sales in decline, the Company avoids purchasing power at a marginal rate of 18.165¢/kWh. This is substantially higher than lost sales revenue, which reflects an average supply cost rate of 7.439¢/kWh. This dynamic results in a positive impact on operating cash flow pre-working capital. Ultimately, any savings are credited to customers via the Company's Energy Supply Cost Variance Clause. This dynamic is temporary as marginal energy costs are forecast to be substantially lower upon commissioning of the Muskrat Falls Project. See response to Request for Information PUB-NP-028.

¹² Excluding the impact of current energy supply cost variances, Newfoundland Power's cash flow interest coverage would be 4.0 times in 2022 and 4.2 times in 2023. Excluding the impact of the current energy supply cost variances, the Company's cash flow debt coverage would be 15.2% in 2022 and 15.5% in 2023.