

- 1 **Q. C&T claim on page 54 that Newfoundland Power’s fixed debt obligations reduce its**
2 **financial flexibility and reference the Covid 19 induced disruption in markets. Did**
3 **C&T discuss with Newfoundland Power its financial market access and did**
4 **Newfoundland Power provide them with any specific incidences where**
5 **Newfoundland Power was shut out of the capital market and unable to finance its**
6 **operations? If so, please provide the supporting documentation that was given to**
7 **C&T.**
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- 9 A. Prior to the filing of Concentric’s report, Volume 2, Newfoundland Power did not
10 provide Concentric with any information that the Company had been shut out of capital
11 markets or unable to finance its operations, and Concentric is not aware of that
12 happening. However, please see the response to Request for Information CA-NP-080
13 where the Company notes that its access to the capital markets was impeded during the
14 COVID-19 pandemic. Nevertheless, the fair return standard does not require that a utility
15 demonstrate that it is unable to access capital. On the contrary, the fair return standard
16 requires that the authorized return for a regulated utility be established at a level that
17 allows the utility to maintain its financial integrity and access capital markets on
18 reasonable terms and conditions. Setting the authorized return at such level benefits both
19 the utility and its customers.