

1 **VOLUME 2: COST OF CAPITAL REPORT**
2

3 **Q. Reference: NLH-NP-085 and PUB-NP-124**

- 4 a) **Are the companies listed in Figure 33 of Newfoundland Power’s response to**
5 **PUB-NP-124 also competing in the same markets for investment that**
6 **Newfoundland Power is? Why or why not?**
7 b) **Where are Newfoundland Power’s five primary investors located?**
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- 9 A. a) Newfoundland Power does not have specific information available to answer this
10 request. However, as noted by the Company’s cost of capital expert, Concentric
11 Energy Advisors Inc:

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13 *“In summary, multiple regulatory authorities in Canada have recognized that*
14 *Canadian utility companies are competing for capital in global financial markets*
15 *and that Canadian data are limited by the small number of publicly-traded*
16 *utilities. Regulators have also recognized the integrated nature of Canadian and*
17 *U.S. financial markets, and the similarity of the utility regulatory regimes.”¹*
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- 19 b) Newfoundland Power is a relatively small-sized, investor-owned utility. To finance
20 its operations, the Company issues long-term first mortgage bonds in series of
21 \$100 million or less by way of private placement. These bonds issues are typically
22 purchased by a small number of investors which can vary with each issuance. The
23 primary investors in the Company’s first mortgage bonds are located within Canada.

¹ See the 2025/2026 General Rate Application, Volume 2, Supporting Materials, Expert Evidence, Tab 1, Cost of Capital, page 33.