

- 1 **Q. Please restate Exhibit 3 to include 2015 forecast information.**  
2  
3 A. Attachment A to the response to Request for Information NLH-NP-002 provides  
4 Newfoundland Power's 2014 test year, 2015 forecast and 2015 and 2016 pro forma  
5 returns on rate base.

**Newfoundland Power Inc.  
2014 Test Year, 2015 Forecast and 2015 and 2016 Pro Forma Returns on Rate Base**

**Newfoundland Power Inc.**  
**2014 Test Year, 2015 Forecast and 2015 and 2016 Pro Forma Returns on Rate Base**

	<u>2014T<sup>1</sup></u>	<u>2015PF<sup>2</sup></u>	<u>2015F</u>	<u>2016PF</u>
<b>1 Average Capitalization (\$000s)</b>				
2 Debt	523,937	554,029	555,827	579,024
3 Preference Shares	9,081	8,953	8,948	8,948
4 Common Equity	433,603	452,399	450,741	474,232
5	<u>966,621</u>	<u>1,015,381</u>	<u>1,015,516</u>	<u>1,062,204</u>
6				
<b>7 Average Capital Structure</b>				
8 Debt	54.20%	54.57%	54.73%	54.51%
9 Preference Shares	0.94%	0.88%	0.88%	0.84%
10 Common Equity	44.86%	44.55%	44.39%	44.65%
11	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
12				
<b>13 Cost of Capital</b>				
14 Debt	7.14%	6.53%	6.46%	6.29%
15 Preference Shares	6.23%	6.17%	6.17%	6.17%
16 Common Equity	8.80%	8.80%	8.75%	8.80%
17				
<b>18 Weighted Average Cost of Capital</b>				
19 Debt	3.87%	3.56%	3.54%	3.43%
20 Preference Shares	0.06%	0.05%	0.05%	0.05%
21 Common Equity	3.95%	3.92%	3.88%	3.93%
22	<u>7.88%</u>	<u>7.53%</u>	<u>7.47%</u>	<u>7.41%</u>
23				
<b>24 Return on Rate Base (\$000s)</b>				
25 Return on Debt	36,519	35,302	34,937	35,485
26 Return on Preference Shares	566	552	552	552
27 Return on Common Equity	38,150	39,835	39,440	41,732
28	<u>75,235</u>	<u>75,689</u>	<u>74,929</u>	<u>77,769</u>
29				
<b>30 Average Rate Base (\$000s)</b>	955,416	1,009,527	1,013,866	1,054,192
31				
<b>32 Rate of Return on Rate Base</b>	7.88%	7.50%	7.39%	7.38%