

- 1 **Q. Please confirm that approval of the proposed 2016 Recovery Deferral on a final**  
2 **basis will provide NP the opportunity to earn its maximum return on rate base in**  
3 **2016.**  
4
- 5 A. Newfoundland Power is unable to provide the confirmation requested.  
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- 7 The Board's approval of the 2016 deferred cost recovery of approximately \$4 million as  
8 proposed in the Application will give Newfoundland Power the opportunity to earn a  
9 return on rate base of 7.32% in 2016.<sup>1</sup> In the Application, Newfoundland Power is  
10 requesting the Board approve a just and reasonable 2016 rate of return on rate base of  
11 7.38% in a range of 7.20% - 7.56%.<sup>2</sup>

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<sup>1</sup> See Exhibit 6 to the evidence filed in support of the Application.

<sup>2</sup> See paragraph 9 of the Application.