

1 **Q. Schedule 1, Page 4 of the application states:**
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3 *“For 2016, Newfoundland Power’s forecast return on equity is 8.08%. This is below*
4 *the 8.80% allowed in Order No. P.U. 13 (2013).”*
5

6 **What evidence has NP provided to demonstrate a return on equity of 8.80% is**
7 **appropriate for 2016?**
8

9 A. In the Application, Newfoundland Power seeks the Board’s approval for 2016 deferred
10 cost recovery of approximately \$4 million to permit the Company to file its next general
11 rate application by June 1, 2016 with a 2017 test year.
12

13 Newfoundland Power has not yet had an expert complete a review of the Company’s
14 forecast cost of capital.
15

16 Refer to the response to Request for Information PUB-NP-004 for copies of current
17 Canadian regulatory decisions related to utility cost of capital.