

1 Q. Schedule 1, Page 9 of the application states:
2

3 *"In addition, Newfoundland Power's current forecast 2016 return on common equity*
4 *of 8.08% is 0.72% below the cost of equity of 8.80% approved by the Board in Order*
5 *No. P.U. 13 (2013)."*
6

7 **Please provide any evidence from Order No. P.U. 13 (2013) that the Board indicated**
8 **that 8.80% was anticipated to be the allowed return on common equity for 2016. In**
9 **the response, provide all excerpts from Order No. P.U. 13 (2013) that the Board**
10 **anticipated a cost of capital review prior to approving final rates for 2016.**
11

12 A. There is no evidence in Order No. P.U. 13 (2013) that the Board anticipated
13 Newfoundland Power's cost of capital, or any other costs, for 2016. It is clear that the
14 Board anticipated a Newfoundland Power general rate application ("GRA") with a 2016
15 test year would be filed on or before June 1, 2015, unless otherwise directed by the
16 Board.
17

18 In the Application, Newfoundland Power seeks the Board's approval for 2016 deferred
19 cost recovery of approximately \$4 million to permit the Company to file its next GRA by
20 June 1, 2016 with a 2017 test year.
21

22 For further information regarding the appropriateness of the 2016 deferred cost recovery
23 proposed in the Application, refer to the responses to Requests for Information
24 PUB-NP-001, PUB-NP-002, PUB-NP-003, PUB-NP-006, PUB-NP-007 and
25 PUB-NP-008.