

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). It is also below the returns on equity*
5 *currently allowed other investor owned Canadian regulated utilities.¹¹*

6
7 ¹¹ *Returns on equity currently allowed for investor owned utilities by Canadian*
8 *regulators are 8.75% (British Columbia), 8.30% (Alberta), 9.30% (Ontario), 8.90%*
9 *(Quebec) and 9.00% (Nova Scotia). The 8.80% approved by the Board in Order No.*
10 *P.U. 13 (2013) appears to be at the mean (and marginally below the median) of current*
11 *equity returns allowed by other Canadian regulators.”*

12
13 **For the each investor owned utility referenced in footnote 11 of the application,**
14 **please complete the following table:**

Line No.	Year	2010	2011	2012	2013	2014
1	Actual Regulated Return on Equity (%)					
2	Actual Average Regulated Common Equity (%)					
3	Weighted Average Return on Equity (%) (Line 1 * Line 2)					

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17 **A.** Newfoundland Power does not have the data necessary to provide the historical rates of
18 return on equity or capital structure for investor owned utilities in Canada since 2010. In
19 addition, Newfoundland Power has not yet had an expert complete a review of the
20 Company’s *forecast* cost of capital for 2016.

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22 Refer to the response to Request for Information PUB-NP-004 for copies of current
23 Canadian regulatory decisions related to utility cost of capital. These decisions may
24 provide helpful information to enable Newfoundland and Labrador Hydro to conduct the
25 assessment this Request for Information seeks, however, detailed compliance filings from
26 many utilities may be required to provide reliable results.