

- 1 **Q. The rate of return on rate base for 2015, 7.5% in a range of 7.32% to 7.68%,**
2 **approved in Board Order No. P.U. 51(2014), was based on a return on equity of**
3 **8.8%, originally used for ratemaking purposes in Order No. P.U. 13(2013). Has**
4 **Newfoundland Power reviewed the forecast Cost of Capital for 2016 in the context**
5 **of justifying this proposed Cost of Capital? If so, provide a comparison of the**
6 **forecast risk-free rate for 2016, the risk premium for 2016, and the allowance for**
7 **financing flexibility for 2016 with the components proposed to the Board in 2012 for**
8 **2013.**
9
- 10 A. Newfoundland Power has not yet had an expert complete a review of the forecast cost of
11 capital for 2016, as requested in this Request for Information.
12
13 Refer to the response to Request for Information PUB-NP-004 for copies of current
14 Canadian regulatory decisions related to utility cost of capital.