## 1Q.Please graph the average annual yield on the company's debt, the actual allowed2ROE and the allowed ROE emanating from the ROE adjustment formula for each3year since 2005.

A. Graph 1 shows Newfoundland Power's average annual yield on its long term bonds, the approved ratemaking rate of return on equity and the rate of return on equity resulting from the use of the formula since 2005.<sup>1</sup>

Graph 1 Annual Bond Yield, Approved ROE and Formula ROE 2005 - 2015 10.00% 9.50% 9.00% 8.50% Annual Bond Yield (percent) Approved ROE 8.00% Formula ROE 7.50% 7.00% 6.50% 6.00% 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 Year

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<sup>&</sup>lt;sup>1</sup> Newfoundland Power's rate of return on equity was set using the formula in 2005, 2006, 2007, 2009 and 2011. The rate of return on equity for 2008, 2010 and 2013-2015 were set in a general rate application. The rate of return on equity for 2012 was set through a settlement agreement following suspension of the formula by the Board in Order No. P.U. 25 (2011).