

- 1 **Q. What is NP's forecast return on equity in 2016 and assuming revenue growth at the**
2 **five year weather normalized average?**
3
- 4 A. The annual average weather normalized revenue growth for the most recent five years is
5 2.2%. Assuming 2.2% revenue growth rate for each of 2015 and 2016, the pro-forma
6 2016 return on equity is 8.80%.
7
- 8 Newfoundland Power is not forecasting an annualized revenue growth rate of 2.2%.
9
- 10 Under existing customer rates, 2016 sales growth is forecast to be 0.5% and 2017 sales
11 growth is forecast to be 0.4%.¹
12
- 13 For the forecast period 2015 through 2017, energy sales growth is forecast to decline for
14 both the Domestic and General Service categories due a number of economic factors
15 including lower customer growth, declining average use per customer and the winding
16 down of several large projects in the general service category.²

¹ Newfoundland Power's Customer, Energy and Demand Forecast is provided in *Volume 2, Exhibits & Supporting Materials, Reports, Tab 4*.

² See the responses to Requests for Information CA-NP-137 and CA-NP-233 for a more detailed explanation of changes in forecast customer and energy sales growth for 2015 to 2017.