

- 1 **Q. What weight does Newfoundland Power consider the Board should give to the**
2 **proposed amortization of regulatory deferrals in determining Newfoundland**
3 **Power's rate of return?**
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- 5 A. In consideration of Newfoundland Power's overall risk, the Board should assess risk
6 elements *relative* to other North American utilities. Cost recovery is 1 risk element.
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- 8 The regulatory deferrals sought in Newfoundland Power's *2016/2017 General Rate*
9 *Application* relate to hearing costs and timing of rate implementation. These deferrals are
10 directly related to the ratemaking process and consistent with longstanding Board
11 practice. They should have no bearing on Newfoundland Power's rate of return.