

- 1 **Q. Please provide the Newfoundland Power costs of capital, including equity and debt**  
 2 **capital and the related capital structure, allowed rate of return, taxes, and other**  
 3 **components for financing its distribution and transmission rate bases.**  
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- 5 A. Table 1 provides Newfoundland Power's 2020 Test Year approved cost of capital and  
 6 capital structure.<sup>1</sup> The Company's allowed rate of return on common equity is 8.5%.  
 7 The statutory corporate income tax rate is 30.0%.

**Table 1:  
 Newfoundland Power  
 Cost of Capital and Capital Structure  
 2020 Test Year**

	<b>Average Capital (\$000s)</b>	<b>Capital Structure (%)</b>	<b>Cost of Capital (%)</b>	<b>Weighted Average Cost of Capital (%)</b>
Debt	640,370	54.28	5.84	3.17
Preferred Equity	8,917	0.76	6.19	0.05
Common Equity	<u>530,327</u>	<u>44.96</u>	8.50	<u>3.82</u>
<b>Total</b>	<b>1,179,614</b>	<b>100.00</b>		<b>7.04</b>

<sup>1</sup> Newfoundland Power's 2019/2020 General Rate Application was approved by the Board in Order No. P.U. 2 (2019).