

- 1 **Q. Has NP ever paid Fortis any issue costs attached to any infusions of common equity**
2 **from Fortis? Further, Fortis has a dividend reinvestment plan where shares can be**
3 **purchased at a 2% discount. In the judgment of NP is a 2% issue cost appropriate**
4 **for any equity issued by Fortis and then invested in NP? If not, and bearing in mind**
5 **the amount of equity generated through retained earnings, what is NP's best**
6 **estimate of the after tax cost paid to issue new equity to Fortis.**
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- 8 A. No. Newfoundland Power has not issued new common shares since the early 1990s. The
9 Company's dividend policy is based on maintaining an average capital structure that
10 includes approximately 45% common equity.
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- 12 See the response to Request for Information CA-NP-084 for further information on the
13 Company's dividend policy.