

- 1 **Q. Mr. Coyne adds 0.50% for an issue cost and financial flexibility adjustment. Please**
2 **provide all data Mr. Coyne relied on to estimate the costs that NP bears in raising**
3 **equity capital from its parent Fortis. Is such an adjustment needed for NP when it is**
4 **not raising equity capital, but instead returning it to its parent Fortis?**
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- 6 A. Mr. Coyne did not rely on any specific costs that Newfoundland Power bears in raising
7 equity capital. Rather, the 50 basis point adjustment for flotation costs and financial
8 flexibility has been approved previously by the Board as reasonable, as well as by most
9 other utility regulators in Canada.