

1   **Q.    2013-2014 General Rate Application, Company Evidence**

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3       **Has Newfoundland Power considered any other alternatives, other than**  
4       **discontinuance, to the current automatic adjustment formula to adjust the return on**  
5       **equity between rate applications? If so, what alternatives were considered? If not,**  
6       **why not?**

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8    A.   Newfoundland Power is proposing that the Board should establish a ratemaking return on  
9       equity which will remain fixed until at least 2014. The Company accepts that changes in  
10      financial market conditions can provide a reasonable basis for the Board to reconsider  
11      Newfoundland Power's cost of capital, including its ratemaking return on equity.

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13       Newfoundland Power knows of no other alternatives to the current Formula that appear  
14       workable in the Newfoundland and Labrador context.

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16       Please refer to the response to Request for Information PUB-NP-017.