

Q. 2013-2014 General Rate Application, Company Evidence

Pgs. 3-29 to 3-30 - How does Newfoundland Power's capital structure compare to other Canadian utilities in 2012?

A. In 2011, the median common equity ratio for Canadian electric utilities was 44.2%. In 2011, the median common equity ratio for investor-owned Canadian electric utilities with rated debt was 42.6%.¹ The latest capital structures adopted by regulators for ratemaking purposes for Canadian electric utilities are in a range of 37% to 47%.²

In this Application, Newfoundland Power is proposing to continue to target its capital structure for ratemaking purposes at 45%.

¹ See Volume 3, Expert Evidence & Studies, Schedule 5, page 1 and 2.

² See Volume 3, Expert Evidence & Studies, Schedule 3, page 1 of 2.