

1 **Q. Please provide a schedule similar to Exhibit NP-3 in the NP 2007 Application**
2 **showing NP's current projection of its 2006 Financial Results.**
3

4 A. Newfoundland Power's current forecast of financial results for 2006 is provided in
5 Attachment A.
6

7 There are two principal differences between the current forecast and the original forecast
8 filed in the *2006 Accounting Policy Application*; 1) 2006 revenue from rates has been
9 decreased by approximately \$9.5 million to reflect lower forecast electricity sales, and
10 2) 2006 forecast income taxes have been decreased by approximately \$1 million to
11 reflect the changes in corporate income taxes approved in the May 2006 Federal Budget.

Newfoundland Power Inc.

Forecast 2006 Financial Results
(000s)

1	Revenue from Rates	\$ 411,153 ¹
2	Purchased Power Expense	257,625
3	Contribution	<u>153,528</u>
4		
5	Other Revenue	<u>10,555</u>
6		
7	Other Expenses:	
8	Operating Expenses	46,765
9	Pension & Early Retirement Costs	6,880
10	Depreciation Expense	39,013
11	Deferred Costs	(5,793) ²
12	Finance Charges	<u>32,370</u>
13		<u>119,235</u>
14		
15	Income before Income Taxes	44,848
16	Income Taxes	<u>14,083</u>
17		
18	Net Income	30,765
19	Preferred Dividends	<u>589</u>
20		
21	Earnings Applicable	
22	to Common Shares	<u>\$ 30,176</u>
23		
24		
25	Rate of Return Metrics	
26		
27	Regulated Return on Book Equity	9.44%
28	Rate of Return on Rate Base	8.54%

¹ Includes \$3,086,000 of 2005 Unbilled Revenue as approved by the Board in Order No. P.U. 40 (2005).

² Deferred costs equivalent to the 2005 depreciation true-up amount approved by the Board in Order No. P.U. 40 (2005).