

1 **Reference: Section 3: Finance**

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3 **Q. Volume 1, page 3-45. Has Newfoundland Power considered any alternative to the**
4 **automatic adjustment formula that would adjust the return on equity between**
5 **general rate applications?**

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7 A. In Newfoundland Power's view, the use of any formula to adjust the Company's return
8 on equity between rate applications does not appear viable at this time. In current
9 financial market conditions, the result of any formula used to adjust Newfoundland
10 Power's return on equity would require the Board to exercise further judgment.

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See responses to Requests for Information PUB-NP-042 and PUB-NP-043.