

1 **Q. (Reference CA-NP-055f)**
 2 **It is stated "The forecast increase in average rate base from 2024 to 2025**
 3 **forecast is \$47.7 million. The estimated impact on Newfoundland Power's**
 4 **return on equity for 2025 is \$1.8 million." Please provide corresponding**
 5 **figures for 2026 through 2030 based on capital budgets forecast for these**
 6 **years in the 2025 CBA.**

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 8 A. The 2025 Capital Budget Application includes forecast capital expenditures from 2025 to
 9 2029.

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 11 Table 1 provides the *pro forma* increase in average rate base and estimated impact on
 12 Newfoundland Power's return on equity ("ROE") from 2026 through 2029.

| Table 1: <i>Pro forma</i> Change in Average Rate Base and ROE Impact 2026-2029 (\$millions) | | | | |
|--|------|------|------|-------|
| | 2026 | 2027 | 2028 | 2029 |
| Change in Average Rate Base ¹ | 50.3 | 61.1 | 85.1 | 108.2 |
| ROE Impact ² | 1.9 | 2.3 | 3.3 | 4.1 |

¹ Forecast annual change in *pro forma* average rate base.

² Based on the Company's common equity ratio of 45% and ROE of 8.50% approved for rate setting by the Board in Order No. P.U. 3 (2022). For example, the *pro forma* 2026 ROE impact of \$1.9 million is calculated as follows ($\$50.3 \text{ million} \times 45\% \times 8.5\% = \1.9 million).