

1 **SECTION 5: CUSTOMER RATES**

2

3 **Q. Reference: CA-NP-102, Attachment A**

4 **Please append the Return on Rate Base for 2025PF and 2026PF within Attachment**

5 **A.**

6

7 A. a) See Attachment A for the requested information.

***Pro Forma Statements of Income
with 2025 and 2026 Pro forma Rate of Return on Rate Base***

Newfoundland Power Inc.
Financial Performance
2022 to 2026E PF
Pro forma Statements of Income with 2025 and 2026 *Pro Forma* Rate of Return on Rate Base
(\$000s)

	Actual	Forecast ¹			
	2022	2023	2024E	<i>Pro Forma</i> ²	
				2025E PF	2026E PF
1 Revenue from rates	715,444	732,809	740,817	761,897	761,296
2 Transfers from the RSA	6,691	36,918	41,533	64,309	57,195
3 Excess Earnings Account	-	(5,094)	-	-	-
4	722,135	764,633	782,350	826,206	818,491
5					
6 Purchased power expense	479,373	517,940	522,821	554,251	552,309
7 Demand management incentive account adjustments	153	(1,000)	-	-	-
8	479,526	516,940	522,821	554,251	552,309
9					
10 Contribution	242,609	247,693	259,529	271,955	266,182
11					
12 Other revenue ³	6,120	7,422	10,026	11,019	11,646
13					
14 Other expenses:					
15 Operating expenses ⁴	68,869	73,473	78,775	81,394	84,156
16 Employee future benefit costs ⁵	7,652	2,763	3,010	8,122	1,812
17 Deferred cost recoveries and amortizations	(656)	(816)	(6,962)	492	492
18 Depreciation ⁶	70,662	74,869	79,557	83,143	86,691
19 Finance charges ⁷	34,790	37,313	41,607	42,240	43,427
20	181,317	187,602	195,987	215,391	216,578
21					
22 Income before income taxes	67,412	67,513	73,568	67,583	61,250
23 Income taxes ⁸	19,498	20,020	22,399	20,588	18,558
24					
25 Earnings applicable to common shares ⁸	47,914	47,493	51,169	46,995	42,692
26					
27 Regulated return on equity				46,995	42,692
28					
29 Finance charges					
30 Interest on long-term debt				38,600	40,860
31 Other interest				4,695	3,972
32 Amortization of bond issue expenses				221	217
33 AFUDC				(1,350)	(1,696)
34				42,166	43,353
35					
36 Return on rate base				89,161	86,045
37					
38 Average rate base ⁹				1,407,807	1,450,855
39					
40 Rate of Return on Rate Base (%)				6.33	5.93

¹ The 2024 through 2026 forecasts include the impact of the proposals in the *2024 Rate of Return on Rate Base Application* filed with the Board on November 23, 2023 with the *pro forma* impacts of 100 GWh of sales in 2025 and 2026 adjustment, as requested in Request for Information CA-NP-102.

² Shown with the impact of an additional 100 GWh of sales, compared to the forecasts given in Table 5-3, in each of 2025 and 2026, as requested in Request for Information CA-NP-102. Does not include the impact related to finance charges.

³ Shown after reclassification of other contract costs and equity portion of AFUDC.

⁴ Shown after adjustment for non-regulated expenses and reclassification of other contract costs and current portion of employee future benefit costs.

⁵ Shown after reclassification of current portion of employee future benefit costs.

⁶ Shown after reclassification of tax on cost of removal.

⁷ Shown after reclassification of equity portion of AFUDC.

⁸ Shown after adjustment for non-regulated expenses and reclassification of tax on cost of removal.

⁹ Shown after cash working capital allowance changes related to purchased power expense and income tax impacts of an additional 100 GWh of sales, as requested in Request for Information CA-NP-102.