

1 **VOLUME 2: COST OF SERVICE**  
 2

3 **Q. Reference: NLH-NP-084**  
 4 **Please provide a calculation of the 8.36% Return on Rate Base and how it was used**  
 5 **in determining the required rate change.**  
 6

7 A. Table 1 provides the calculation for the 8.36% return on rate base. The overall average  
 8 increase in customer rates proposed in the Application of 5.5% is based on  
 9 Newfoundland Power’s 2025 and 2026 proposed revenue requirements. The 8.36% has  
 10 no impact in determining the required rate change.<sup>1</sup>

**Table 1:**  
**2022 Pro Forma Rate of Return on Rate Base**  
**(\$000s)**

		<b>2022PF</b>
<i>Pro forma</i> Average Rate Base <sup>2</sup>	<b>A</b>	1,249,403
Adjusted Return and Taxes <sup>3</sup>	<b>B</b>	104,461
Return on Rate Base	<b>C = B / A</b>	8.36%

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<sup>1</sup> See the response to Request for Information NLH-NP-084.

<sup>2</sup> See the *2025/2026 General Rate Application, Volume 2: Supporting Materials, Cost of Service Study, Schedule 2.4*, line 38.

<sup>3</sup> See the *2025/2026 General Rate Application, Volume 2: Supporting Materials, Cost of Service Study, Schedule 1.1*, line 13.