

Requests for Information

Q. Re: Return of Equity Calculate Newfoundland Power's return on equity for the years 1998 –2004 based on corporate equity and income balances, i.e. those contained in its published financial statements. Provide the amounts used for each component of the calculation.

A. Table 1 provides the calculation of the rate of return on equity for 1998-2004 based on information contained in the Company's published financial statements (i.e., before any adjustments for non-regulated expenses).

<p style="text-align: center;">Table 1 Rate of Return on Equity (before any adjustment for non-regulated expenses)</p>			
Year	Average Common Equity (\$)	Return On Common Equity (\$)	Rate of Return On Average Common Equity
1998 Actual	228,499	21,571	9.44%
1999 Actual	236,167	22,858	9.68%
2000 Actual	246,590	26,473	10.74%
2001 Actual	255,267	28,862	11.31%
2002 Actual	269,859	28,807	10.67%
2003 Forecast ¹	287,943	31,097	10.80%
2004 Forecast ¹	303,228	32,704	10.79%

¹ 2003 & 2004 forecast is based on proposed revenue.