

1 **Section 3: Finance/Fair Return**
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3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**
4 **December 12, 2023, vol. 1, Evidence, sec. 3.1, p. 3-1/12–16.**

5 a) Newfoundland Power is requesting an increase to their Return on Equity
6 (“ROE”) to 9.85% on 45% equity. Please confirm the completeness of the table
7 provided.

	2013–2014 (%)	2016–2017 (%)	2019–2020 (%)	2022–2023 (%)
Newfoundland Power General Rate Application - Proposed ROE	10.40	9.50	9.50	9.80
Consultant Recommendation	10.4–10.5	9.50	9.50	9.80
Final ROE	8.80	8.50	8.50	8.50
Common Equity Component	45	45	45	45

8 **b) Has accepting a lower ROE in previous GRAs impacted Newfoundland Power's**
9 **financial integrity? If so, how? If not, please explain.**

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11 A. a) Newfoundland Power confirms the completeness of the table above, as presented.

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13 b) Newfoundland Power’s sound financial management has enabled the Company to
14 maintain its financial integrity over time.¹

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16 See the response to Request for Information PUB-NP-057 for a discussion on
17 determining an appropriate return on equity and capital structure.

¹ For further information, see the *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 3: Finance.*