

- 1 **Q. (Reference Application) Please provide an update on studies relating to**
2 **Newfoundland Power’s capital structure and the appropriate split between**
3 **debt and equity.**
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- 5 A. Newfoundland Power engages a cost of capital expert to assess the appropriateness of
6 its capital structure on a routine basis as part of its general rate applications. The
7 Company’s longstanding capital structure, consisting of 45% equity and 55% debt, was
8 most recently approved by the Board in Order No. P.U. 3 (2022) following the conclusion
9 of its *2022/2023 General Rate Application*. Newfoundland Power has not conducted any
10 studies relating to its capital structure since that time.