

1 **Section 1: Introduction**  
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3 **Q. (Section 1, page 1-7) Of the 5.5% increase in customers rate being requested by**  
4 **Newfoundland Power 1.6% is due to a higher requested ROE of 9.85%. Would**  
5 **Newfoundland Power agree that in 2021 it was requesting an increase in rates based**  
6 **on a requested ROE of 9.80%? Does Newfoundland Power regard an increased**  
7 **ROE of 0.05% as material given that it is within the impact of any range in return**  
8 **on rate base allowed by the Board?**  
9

10 A. In Newfoundland Power's 2022/2023 *General Rate Application* ("GRA"), the Company  
11 requested a 1.5% increase in revenue requirement based on the proposed fair return on  
12 equity ("ROE") of 9.8% for 2022 and 2023. The ROE proposal was based on expert  
13 evidence filed with that GRA.  
14

15 Newfoundland Power is not requesting an increase of 0.05% in its ROE in its 2025/2026  
16 GRA compared to its 2022/2023 GRA. The 9.85% ROE proposed for 2025 and 2026 in  
17 this GRA is based on expert evidence filed with this Application and represents a 1.35%  
18 increase from the currently approved ROE of 8.50%.<sup>1</sup>

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<sup>1</sup> See the 2025/2026 *General Rate Application, Volume 2, Supporting Materials, Expert Evidence, Tab 1, Cost of Capital*.