

1 **Section 3: Finance/Fair Return**
2

3 **Q. (Section 3) Newfoundland Power's size**

4 **a) Why would Newfoundland Power refer to itself as a small utility when according**
5 **to Fortis 2023 AIF, it has 274,000 customers whereas Fortis BC Electric has**
6 **188,000, Maritime Electric 88,000, and Fortis Ontario 68,000?**

7 **b) Please provide the current allowed ROE and common equity ratio for each of**
8 **these other Fortis utilities that are smaller than Newfoundland Power.**

9 **c) Please provide a comparison of the size of Newfoundland Power relative to the**
10 **eastern Canadian provinces and the average sized distribution companies in**
11 **Ontario and Alberta.**

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13 A. a) When making a statement as to its relative size, Newfoundland Power considers all of
14 its utility peers and does not limit itself to comparisons against other Fortis
15 subsidiaries.

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17 b) Table 1 provides the current allowed ROE and equity ratio for FortisBC Electric,
18 Maritime Electric and FortisOntario.

Table 1:
Allowed ROE and Equity Ratios

	Allowed ROE	Allowed Equity Ratio
FortisBC Electric	9.65%	41%
Maritime Electric	9.35%	40%
FortisOntario ¹	8.52-9.30% ²	40%

¹ Includes Algoma Power, Canadian Niagara Power and Cornwall Electric.

² Includes Algoma Power, Canadian Niagara Power (distribution) and Canadian Niagara Power (transmission). Cornwall Electric operates under a franchise agreement with a price-cap and commodity cost flow through and, therefore, is not regulated with reference to an allowed ROE.

- 1 c) Table 2 provides a comparison of the number of customers and total assets of
 2 Newfoundland Power and the other Atlantic Canadian utilities. The Company does
 3 not have data on the average size of a distribution utility in Ontario or Alberta.

Table 2:
Size of Atlantic Canadian Utilities

	Number of Customers	Total Assets (\$billions)
Newfoundland Power ³	275,000	1.95
Nova Scotia Power ⁴	546,000	6.97
Maritime Electric	89,000	0.66 ⁵
New Brunswick Power ⁶	400,000	8.03

³ As at December 31, 2023.

⁴ As at September 30, 2023.

⁵ Maritime Electric's financial statements are not publicly available. Value reflects "total value of assets" as at December 31, 2022, as per the *Maritime Electric Sustainability 2023 Report*.

⁶ As at September 30, 2023.