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NEWFOUNDLAND POWER
A FORTIS COMPANY

September 15, 2026

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Mike McNiven
Board Secretary

Dear Mr. McNiven:

Re: 2027 Rate of Return on Rate Base Application

Background

In Order No. P.U. 3 (2025) in relation to Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") *2025/2026 General Rate Application*, the Board of Commissioners of Public Utilities (the "Board") directed Newfoundland Power to file information relating to its forecast cost of debt, forecast average rate base and *pro forma* rate of return on rate base for 2027 on or before September 15, 2026. The order stipulates that the *pro forma* rate of return on rate base for 2027 is to be based on the Company's weighted average cost of capital ("WACC"), which includes its 2027 forecast cost of debt and the rate of return on equity approved in Order No. P.U. 3 (2025).

For each year since 1998, the Board has determined a rate of return on rate base for Newfoundland Power pursuant to Section 80 of the *Public Utilities Act* (the "Act"). For years not otherwise covered by general rate orders, the Company has applied to the Board for approval of its forecast rate of return on rate base. The approved rate of return on rate base is an input into *Annual Return 13 Forecast Return on Average Rate Base & Determination of Excess Earnings*, which is required by the Board as part of the Company's Annual Report to the Board.

The Application

Consistent with Order No. P.U. 3 (2025), the Board's longstanding regulatory practice of determining Newfoundland Power's annual rate of return on rate base, and Section 80 of the Act, please find enclosed an application for approval of the Company's rate of return on rate base for 2027 (the "Application").

Newfoundland Power Inc.
55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 853-6251 • **FAX** (709) 737-2974 • **sdonovan@newfoundlandpower.com**

Schedule 1 to the Application contains the calculation of Newfoundland Power's proposed 2027 rate of return on rate base of 6.61%, in a range of 6.43% to 6.79%, determined in compliance with the direction in Order No. P.U. 3 (2025). Schedule 1 also provides information regarding the Company's 2027 forecast average rate base in compliance with Order No. P.U. 3 (2025). Finally, Schedule 1 demonstrates that a change in customer rates is not required as a result of the proposed rate of return on rate base for 2027.

Concluding

We trust that the foregoing and enclosed are found to be in order.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,

Siobhan Donovan
Manager Regulatory Affairs

ec. Shirley Walsh
Newfoundland & Labrador Hydro

Adrienne Ding
O'Dea Earle Law Offices

Newfoundland Power Inc.
55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 853-6251 • FAX (709) 737-2974 • **sdonovan@newfoundlandpower.com**

IN THE MATTER OF the *Public Utilities Act,* R.S.N.L. 1990, Chapter P-47, as amended, (the "Act"); and

IN THE MATTER OF an application by Newfoundland Power Inc. ("Newfoundland Power" or the "Company") for approval of a 2027 rate of return on rate base (the "Application").

TO: The Board of Commissioners of Public Utilities of Newfoundland and Labrador (the "Board")

THE APPLICATION OF Newfoundland Power **SAYS THAT:**

1. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994.*

2. In Order No. P.U. 3 (2025) in relation to the Company's *2025/2026 General Rate Application*, the Board ordered, amongst other things, that Newfoundland Power file information relating to its forecast average rate base and *pro forma* rate of return on rate base for 2027 on or before September 15, 2026.

3. Section 80 of the Act provides, in effect, that a public utility is entitled to an opportunity to earn annually a just and reasonable return, as determined by the Board, on the rate base fixed and determined by the Board.

4. Historically, the Board has determined an annual rate of return on rate base for the Company. For years not otherwise covered by general rate orders, Newfoundland Power has historically applied to the Board for approval of its forecast rate of return on rate base.

5. Consistent with the direction in Order No. P.U. 3 (2025), the Board's longstanding regulatory practice and Section 80 of the Act, the Application seeks approval of the Company's rate of return on rate base for 2027.

6. Schedule 1 to this Application shows the calculation of Newfoundland Power's proposed 2027 rate of return on rate base of 6.61%. The proposed 2027 rate of return on rate base is based on the Company's weighted average cost of capital ("WACC"), which includes its 2027 forecast cost of debt and the rate of return on equity of 8.60%, consistent with the direction in Order No. P.U. 3 (2025).

7. Schedule 1 to the Application also provides (i) information regarding Newfoundland Power's 2027 forecast average rate base in compliance with Order No. P.U. 3 (2025) and (ii) that a change in customer rates is not required as a result of the proposed rate of return on rate base for 2027.

8. In Order No. P.U. 3 (2025), the Board approved the continuation of Newfoundland Power's longstanding range of rate of return on rate base of 36 basis points (± 0.18%).

9. The Company requests, pursuant to Section 80 of the Act and Order No. P.U. 3 (2025), that the Board make an Order approving a just and reasonable 2027 rate of return on rate base for Newfoundland Power of 6.61%, in a range of 6.43% to 6.79%.

10. Communications with respect to this Application should be forwarded to the attention of Siobhan Donovan, Manager Regulatory Affairs.

DATED at St. John's, Newfoundland and Labrador, this 15th day of September, 2026.

NEWFOUNDLAND POWER INC.

Siobhan Donovan
Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6

Telephone: (709) 853-6251
Telecopier: (709) 737-2974

IN THE MATTER OF the *Public Utilities Act,* R.S.N.L. 1990, Chapter P-47, as amended, (the "Act"); and

IN THE MATTER OF an application by Newfoundland Power Inc. for approval of a 2027 rate of return on rate base (the "Application").

AFFIDAVIT

I, Brian Menchenton, of St. John's in the Province of Newfoundland and Labrador, make oath and say as follows:

1. That I am Director, Business & Regulatory Affairs of Newfoundland Power Inc;

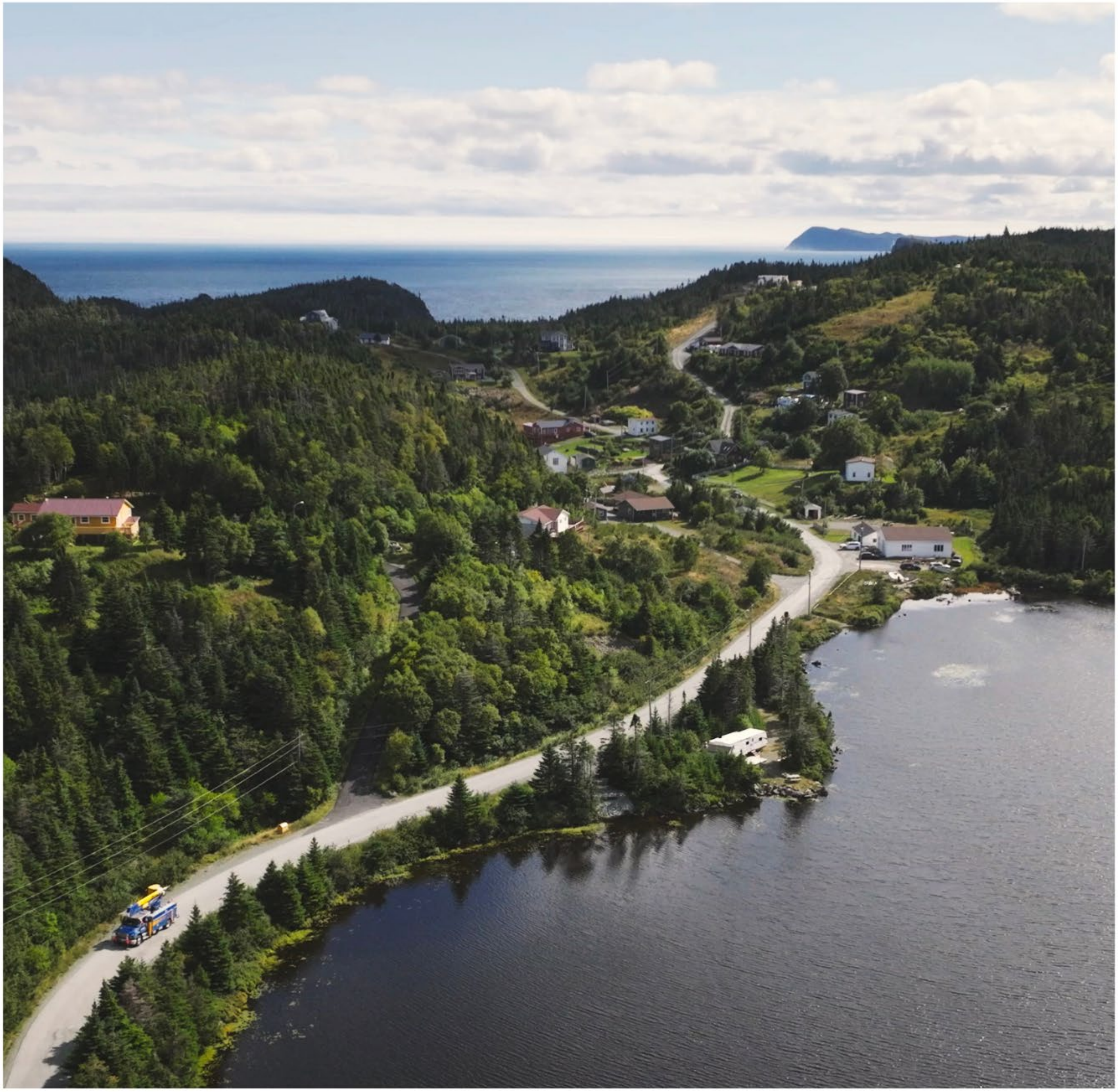
2. That I have read the foregoing Application; and

3. That to the best of my knowledge, information and belief, all matters, facts and things set out in this Application, including all schedules thereto, are true.

SWORN TO before me at St. John's in the Province of Newfoundland and Labrador, this 15th day of September, 2026:

Barrister

Brian Menchenton



September
2026

Newfoundland Power Inc.
2027 Rate of Return on Rate Base Application
Schedule 1

Table of Contents

1.0 Executive Summary

Section 80 of the *Public Utilities Act* (the "Act") provides that a public utility is entitled to an opportunity to earn a just and reasonable return on its rate base on an annual basis as determined by the Board. Each year since 1998, the Board of Commissioners of Public Utilities (the "Board") has determined Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") rate of return on rate base following an application by the Company.

In Order No. P.U. 3 (2025) in relation to Newfoundland Power's *2025/2026 General Rate Application*, the Board directed the Company to file information relating to its forecast cost of debt, forecast average rate base and *pro forma* rate of return on rate base for 2027, on or before September 15, 2026.[1] The order stipulates that the *pro forma* rate of return on rate base for 2027 is to be based on Newfoundland Power's weighted average cost of capital ("WACC"), which includes the Company's 2027 forecast cost of debt and the rate of return on equity approved in Order No. P.U. 3 (2025).

The Board stated it would review this information in considering whether changes are required to allow Newfoundland Power the opportunity to earn a fair return for 2027.[2]

The report shows that a just and reasonable rate of return on rate base for Newfoundland Power in 2027 is 6.61% in a range of 6.43% to 6.79%. In compliance with Order No. P.U. 3 (2025), the determination of the 2027 rate of return on rate base is equal to Newfoundland Power's WACC, which includes its 2027 forecast cost of debt and the currently approved rate of return on equity of 8.60%. The report also provides the calculation of the Company's 2027 forecast average rate base of $1,550.5 million.

The report concludes that a change in customer rates is not required for Newfoundland Power to have an opportunity to earn a just and reasonable return in 2027.

The Company's application requests the Board to approve its 2027 rate of return on rate base (the "Application"). The Application is consistent with Section 80 of the Act and past practice of the Board. The proposed 2027 rate of return on rate base is determined in compliance with Order No. P.U. 3 (2025). Its approval will also allow for an appropriate assessment of Newfoundland Power's actual 2027 rate of return on rate base when compared to the 2027 rate of return on rate base proposed in the Application as required by the Board in *Annual Return 13 Forecast Return on Average Rate Base & Determination of Excess Earnings*.

[1] Order No. P.U. 3 (2025), section 6.3.

[2] *Ibid*.

2.0 Regulatory Practice

2.1 Determining Annual Returns

Section 80 of the Act provides that a public utility is entitled to an opportunity to earn a just and reasonable return on its rate base on an annual basis as determined by the Board.[3] For each year since 1998, the Board has determined a rate of return on rate base for the Company pursuant to Section 80 of the Act.

The Board's determinations of a rate of return on rate base for Newfoundland Power for those years which are considered *test years* for ratemaking purposes are found in general rate application ("GRA") orders.[4] For years that were not test years ("non-GRA year") from 2000 to 2011, the Board determined a rate of return on rate base for the Company based upon the operation of the automatic adjustment formula (the "Formula").[5] Following suspension of the Formula in 2011, the Board determined a rate of return on rate base for non-GRA years following an application by Newfoundland Power.[6]

In Order No. P.U. 3 (2025), the Board did not require the Company to file an application to set its rate of return on rate base for 2027.[7] The Board did, however, direct Newfoundland Power to file information relating to its rate of return on rate base for 2027 and stated it would review the information in considering whether changes are required to allow Newfoundland Power the opportunity to earn a fair return for 2027.

Based on the information filed in this report, the Application seeks Board determination of the Company's rate of return on rate base for 2027, the derivation of which is consistent with the Board's direction in Order No. P.U. 3 (2025). Board determination of a rate of return on rate base for 2027 would also be consistent with the Act and past practice of both Newfoundland Power and the Board.[8] As outlined in the following section, its determination will also allow for an appropriate assessment of the Company's actual 2027 rate of return on rate base when compared to the 2027 rate of return on rate base proposed in the Application.

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[3] See Section 80 of the Act and the 1998 opinion of the Newfoundland and Labrador Court of Appeal in a stated case (June 15th, 1998, Docket: 96/141).

[4] See Order Nos. P.U. 36 (1998-99), P.U. 19 (2003), P.U. 32 (2007), P.U. 43 (2009), P.U. 13 (2013), P.U. 18 (2016) and P.U. 2 (2019), P.U. 3 (2022) (Amendment No. 2) and P.U. 23 (2025).

[5] See Order Nos. P.U. 20 (1999-2000), P.U. 30 (2000-2001), P.U. 28 (2001-2002), P.U. 50 (2004), P.U. 3 (2006), P.U. 40 (2006), P.U. 35 (2008) and P.U. 32 (2010).

[6] See Order Nos. P.U. 25 (2011) and P.U. 13 (2013) for the Board's decision to suspend operation of the Formula. See Order Nos. P.U. 17 (2012), P.U. 51 (2014), P.U. 41 (2017), P.U. 36 (2020) and P.U. 24 (2024) for establishment of a rate of return on rate base for 2012, 2015, 2018, 2021, and 2024, respectively.

[7] Order No. P.U. 3 (2025), section 6.3.

[8] For each non-GRA year since 2000, Newfoundland Power has filed an application seeking the Board's approval of its rate of return on rate base for that year. Similarly, the Board has issued an order setting the Company's rate of return on rate base for each respective non-GRA year. The Company recognizes that for years in which the Formula was in operation, if the rate of return on rate base provided by the Formula was within the previous year's range of rate of return on rate base, then that previously approved rate of return on rate base would remain in effect. In those years, Newfoundland Power still filed an application for approval of its rate of return on rate base and the Board issued an order setting the rate of return on rate base for that year.

Approval of the rate of return on rate base for 2027 does not result in a change in customer rates or a need for additional cost recovery for the Company.[9]

2.2 Assessing Annual Returns

In *Annual Return 13 Forecast Return on Average Rate Base & Determination of Excess Earnings*, Newfoundland Power is required to compare its actual rate of return on rate base to the rate of return on rate base approved by the Board for that year.[10] Any return on rate base in excess of 18 basis points above the approved rate of return on rate base is credited to the Excess Earnings Account for future disposition as determined by the Board.[11]

Since 2013, the approved rate of return on rate base for non-GRA years has been based on the Company's forecast cost of debt and the rate of return on equity approved by the Board for that year.[12] This has ensured that the approved rate of return on rate base reflects Newfoundland Power's approved rate of return on equity, Board orders issued since the Company's last GRA associated with its long-term debt, and any forecast changes associated with its short-term debt. In turn, this has allowed for a fair and reasonable comparison of Newfoundland Power's actual rate of return on rate base to the approved rate of return on rate base for the determination of excess earnings.[13]

Given the above, Newfoundland Power submits that the Board's approval of a rate of return on rate base for 2027 will allow for an appropriate assessment of the Company's actual rate of return on rate base for 2027 as required by the Board in Annual Return 13 and in a manner consistent with past practice.

Appendix A provides a *pro forma* Annual Return 13 based on the proposed 2027 rate of return on rate base outlined in section 3.0, which includes a rate of return on equity of 8.60% as approved in Order No. P.U. 3 (2025).

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9 See section 5.0 of this report.

10 See, for example, Annual Return 13 filed with the Board on March 31, 2026 as part of the Company's *Annual Report to the Board for the year ended, December 31, 2025* (the "2025 Annual Report").

11 See the definition of the Excess Earnings Account on page 20 of the Company's System of Accounts filed with the 2025 Annual Report.

12 Unlike in years in which the Formula operated, the rate of return on rate base has been revised for each non-test year since 2013, regardless of whether the *pro forma* rate of return on rate base was forecast to be in the range of the previously approved rate of return on rate base. For example, the *pro forma* rate of return on rate base was forecast to be 7.04% in 2018. This result was within the range the 2017 test year rate of return on rate base of 7.01% to 7.37%, which had a midpoint of 7.19%. The Board approved a rate of return on rate base of 7.04% for 2018, within a range of 6.86% to 7.22%, in Order No. P.U. 41 (2017).

13 Using 2018 as an example, the decrease in the *pro forma* rate of return on rate base of 7.04% from the 2017 test year figure of 7.19% was primarily a result of a lower forecast cost of debt. If the previously approved range was approved to be continued, Newfoundland Power would have had an implicit high end range of 33 basis points (7.37% upper end of the range approved in the 2017 test year minus 7.04%) for the determination of excess earnings. Instead, the 2018 *pro forma* rate of return on rate base of 7.04% was approved which provided for the expected high end range of 18 basis points (7.22% upper end of the range approved for 2018 minus 7.04%).

3.0 2027 Rate of Return on Rate Base

Table 1 provides the calculation of Newfoundland Power's proposed 2027 rate of return on rate base of 6.61%.

Table 1:
2027 Rate of Return on Rate Base

	Capital Structure[14]	Cost of Capital	WACC
Debt	55.06%	4.99%	2.75%
Common Equity	44.94%	8.60%	3.86%
2027 Rate of Return on Rate Base			**6.61%**

In compliance with Order No. P.U. 3 (2025), the determination of the 2027 rate of return on rate base is equal to Newfoundland Power's WACC, which includes its 2027 forecast cost of debt and the currently approved rate of return on equity of 8.60%. Applying the range of rate of return on rate base of 36 basis points (± 0.18%) maintained in Order No. P.U. 3 (2025), the proposed range of rate of return on rate base for 2027 is 6.43% to 6.79%.[15]

Table 2 provides the calculation of the Company's 2027 forecast cost of debt.[16]

Table 2:
2027 Forecast Cost of Debt
($000s)

Interest Expense	
Interest on Bonds	41,642
Interest on Credit Facilities	2,246
Amortization of Debt Discount and Issue Costs	239
	44,127
2027 Average Debt	884,250
2027 Cost of Debt	**4.99%**

[14] 2027 forecast, which reflects a rate of return on equity of 8.60% and common equity of 45% consistent with Order No. P.U. 3 (2025).

[15] Order No. P.U. 3 (2025), page 56, lines 27-28.

[16] Determined consistent with *Annual Return 25 Cost of Embedded Debt.*

Newfoundland Power's 2027 forecast cost of debt primarily reflects financing arrangements approved by the Board under Section 91 of the Act. In Order No. P.U. 26 (2025), the Board approved the Company's latest issue of its First Mortgage Bonds in an amount of up to $130 million. In August 2025, the Company issued Series AT First Mortgage Bonds of $120 million for 30 years at a coupon rate of 4.913%. In Order No. P.U. 22 (2008), the Board approved the Company's current committed short-term credit facility and in Order No. P.U. 23 (2024), the Board approved an increase in the amount of Newfoundland Power's credit facility to $130 million.[17]

4.0 2027 Forecast Average Rate Base

Appendix B shows the calculation of Newfoundland Power's 2027 forecast average rate base of $1,550,535,000.

The 2027 forecast average rate base reflects: (i) the Company's calculation of 2025 average rate base and (ii) forecast changes to its average rate base for each of 2026 and 2027.[18] Forecast changes to Newfoundland Power's average rate base principally reflect changes in (i) annual capital expenditures,[19] and (ii) depreciation expense.[20]

Newfoundland Power is not requesting approval of its 2027 forecast average rate base in the Application. When using the WACC approach to determine rate of return on rate base for a non-GRA year, approval of the Company's forecast average rate base is not necessary unless Newfoundland Power is determining a return on rate base in dollars for cost recovery purposes, such as in 2024.[21,22] As outlined in section 5 of this report, the Company is not seeking cost recovery in the Application. In addition, unlike the proposed rate of return on rate base which is required for the assessment of actual

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17 Under this facility, the Company is forecasting 2027 short-term debt costs of approximately 3.8%.

18 The calculation of Newfoundland Power's 2025 average rate base of $1,419.7 million is set out in Schedule D to its *2027 Capital Budget Application*. On August 6, 2026, Grant Thornton filed with the Board, its review of the Company's calculation of 2025 average rate base. Grant Thornton's review concluded that the 2025 average rate base is in accordance with established practice and Board Orders.

19 2026 capital expenditures of $137.9 million were approved in Order No. P.U. 38 (2025). Newfoundland Power's *2027 Capital Budget Application*, which is currently under review by the Board, proposes capital expenditures of $149.3 million. Projected 2027 capital expenditures of $62.7 million associated with the *Thermal Generation Supplemental* project are not included in the $149.3 million figure or in the calculation of the Company's 2027 average rate base as the assets are not forecast to be used and useful until 2031.

20 Newfoundland Power's depreciation expense is based on the 2019 Deprecation Study as approved by the Board in Order No. P.U. 3 (2025).

21 For non-GRA years from 2015 to 2021, Newfoundland Power determined its rate of return on rate base by dividing its forecast returns by its forecast average rate base as opposed to the WACC approach. Accordingly, the Board approved both the Company's rate of return on rate base and its forecast average rate base associated with the respective rate of return on rate base applications for those years. Under the operation of the Formula, the Board did not approve Newfoundland Power's forecast average rate base with the exception of 2006, when there was also consideration for a change in accounting policy.

22 See Schedule 2 in the Company's *2024 Rate of Return on Rate Base Application* filed with the Board on September 26, 2024. In that application, Newfoundland Power was requesting cost recovery associated with its 2024 forecast return on rate base. The cost recovery was determined by applying its forecast rate of return on rate base using the WACC approach by its forecast average rate base. Accordingly, the Board approved the Company's 2024 forecast rate base as part of that application.

return on rate base and the operation of the Excess Earnings Account, forecast average rate base is not an input into annual reporting requirements.

5.0 Assessment of 2027 Rate of Return on Rate Base

Customer rates approved by the Board must provide an appropriate level of revenue for a utility to have a reasonable opportunity to earn the rate of return on rate base determined by the Board.

The Board's practice in years when Newfoundland Power's rate of return on rate base was established by use of the Formula was to revise customer rates only when the forecast rate of return on rate base was outside the range of the rate of return on rate base previously approved by the Board.[23] Where the forecast rate of return on rate base was within the range of rate of return on rate base previously approved by the Board, the Board ordered continuation of existing approved customer rates.[24] Similarly, for rate of return on rate base applications filed since 2013, the Board has only approved cost recovery for years when Newfoundland Power's forecast rate of return on rate base was outside of the range of the *pro forma* rate of return on rate base, determined in the manner set out by the Board.[25]

In Order No. P.U. 3 (2025) the Board maintained the longstanding range of rate of return on rate base of 36 basis points (± 0.18%).[26] Applying this range to the proposed rate of return on rate base of 6.61% results in a range of rate of return on rate base for 2027 of 6.43% to 6.79%.

Table 3 provides a comparison of the Company's 2027 forecast rate of return on rate base to the 2027 proposed rate of return on rate base, determined in compliance with Order No. P.U. 3 (2025).

Table 3:
2027 Rate of Return on Rate Base
Forecast vs. Proposed

Forecast	Proposed	Difference
6.49%	6.61%	(0.12%)

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[23] See, for example, Order Nos. P.U. 20 (1999-2000), P.U. 28 (2001-02) and P.U. 50 (2004).

[24] See, for example, Order Nos. P.U. 30 (2000-01), P.U. 3 (2006) and P.U. 35 (2008). The Board's use of "ranges" of return to determine the need for revisions to customer rates is consistent with the notion of a "zone of reasonableness" as described by the Newfoundland and Labrador Court of Appeal. See paragraph 30 of the 1998 opinion of the Newfoundland and Labrador Court of Appeal in a stated case (June 15th, 1998, Docket: 96/141).

[25] See Order Nos. P.U. 20 (2024) and P.U. 24 (2024) regarding the *2024 Rate of Return on Rate Base Application*.

[26] Order No. P.U. 3 (2025), page 56, lines 27-28.

The 2027 forecast rate of return on rate base of 6.49% is within the range of Newfoundland Power's 2027 proposed rate of return on rate base of 6.43% to 6.79%. The forecast return is lower than the proposed return due to a lower forecast rate of return on common equity of 8.34% when compared to the 8.60% rate of return on common equity approved for ratemaking purposes for 2027. Accordingly, the continuation of existing customer rates is reasonable and consistent with the Board's regulatory practice.

Newfoundland Power Inc.

***Pro Forma* Annual Return 13: Return on Average Rate Base**
& Determination of Excess Earnings For The Year Ended December 31, 2027[1]
($000s)

1	Regulated Return on Equity[2]	62,053
2	Excess Earnings Adjustment at December 31	-
3		62,053
4	Finance Costs[3]	
5	Interest on Long-Term Debt	41,642
6	Other Interest	2,246
7	Amortization of Debt Issue Expenses	239
8	Allowance for Funds Used During Construction ("AFUDC")	(3,492)
9		40,635
10		
11	Regulated Earnings	102,688
12		
13	Adjustment for the WACC Approach[4]	(172)
14		
15	Return on Rate Base	102,516
16		
17	Average Rate Base[5]	1,550,535
18		
19	Rate of Return on Rate Base	6.61%
20		
21		
22	Average Rate Base	1,550,535
23	Adjustment for Excess Earnings Liability	-
24	Average Rate Base for Excess Earnings Calculation	1,550,535
25		
26	Upper Limit of the Allowed Range of Return on Rate Base[6]	6.79%
27		
28	Upper Limit of Allowed Return on Rate Base	105,281
29		
30	Return on Rate Base	102,516
31		
32	Excess Earnings (net of income taxes)	-

[1] Based on the proposed 2027 rate of return on rate base outlined in Schedule 1, section 3.0.

[2] The 2027 proposed regulated return on equity is based on a rate of return on common equity of 8.60% approved in Order No. P.U. 3 (2025).

[3] For the 2027 proposed finance costs, see Schedule 1, Table 2. Consistent with *Annual Return 25 Cost of Embedded Debt*, AFUDC does not form part of Newfoundland Power's cost of debt. AFUDC provides for the capitalization of the Company's cost of capital associated with its construction work in progress ("CWIP") as opposed to being a cost of capital itself.

[4] The following adjustment is required to determine the rate of return on rate base in Annual Return 13 using the WACC approach directed by the Board in Order No. P.U. 3 (2025).

2027 forecast average rate base	1,550,535
2027 forecast average invested capital	1,605,973
Difference	**(55,438)**
2027 WACC	6.61%
Return amounts associated with invested capital balances greater than rate base	**(3,664)**
Less: AFUDC associated with CWIP invested capital balances already deducted on line 8	(3,492)
Adjustment	**(172)**

[5] See Schedule 1, Appendix B.

[6] 2027 proposed rate of return on rate base of 6.61% + 0.18% = 6.79%. For the 2027 proposed rate of return on rate base of 6.61%, see Schedule 1, Table 1.

Newfoundland Power Inc.
2027 Forecast Average Rate Base
($000s)

	2027F	2026F
Net Plant Investment		
Plant Investment	2,853,531	2,663,972
Accumulated Depreciation	(1,253,325)	(1,124,861)
Contributions in Aid of Construction	(47,532)	(47,583)
	1,552,674	1,491,528
Additions to Rate Base		
Deferred Pension Costs	120,755	115,058
Deferred Credit Facility Costs	64	107
Cost Recovery Deferral - Conservation	23,641	22,047
Cost Recovery Deferral - 2025 Revenue Shortfall	-	8,578
Cost Recovery Deferral - Load Research & Retail Rate Design Review	1,253	1,253
Cost Recovery Deferral - Hearing Costs	-	280
Cost Recovery Deferral - Pension Capitalization	150	499
Customer Finance Programs	1,068	1,058
Demand Management Incentive Account	995	-
	147,926	148,880
Deductions from Rate Base		
Weather Normalization Reserve	-	2,605
Other Post Employment Benefits	85,363	86,843
Customer Security Deposits	688	688
Accrued Pension Obligation	6,026	5,847
Accumulated Deferred Income Taxes	49,862	43,705
Refundable Investment Tax Credits	27	30
	141,966	139,718
Year End Rate Base	1,558,634	1,500,690
Average Rate Base Before Allowances	1,529,662	1,472,957
Rate Base Allowances		
Materials and Supplies Allowance	19,142	19,333
Cash Working Capital Allowance	1,731	1,694
Average Rate Base at Year End	1,550,535	1,493,984