

1 **Q. Reference: Dr. Booth’s Evidence, Appendix D, Page 13, Lines 9-10**

2
3 **Please reconcile Dr. Booth’s statement that “it is inconceivable that low risk**
4 **U.S. utilities can consistently grow faster than the US economy that supports**
5 **them”, with Dr. Cleary’s Evidence on pages 17-18 that Newfoundland Power’s**
6 **sales have grown faster than the Newfoundland and Labrador GDP over the**
7 **past several decades.**

8
9 **A. Several decades is not eternity, which is the basic assumption of the constant growth**
10 **model. Further sales are not dividends, particularly when a large component of sales**
11 **is the pass through of power and gas costs.**