

1 **Q. Reference: Dr. Cleary’s Evidence, Page 36, Lines 11-14**
2

3 **Dr. Booth has not recommended a change be made in Newfoundland Power’s**
4 **common equity ratio, noting the Board’s examination of this issue in the**
5 **2016/2017 General Rate Application of Newfoundland Power and its decision**
6 **to maintain the common equity ratio of Newfoundland Power at 45.0 percent.**
7 **Does Dr. Cleary disagree with Dr. Booth on this issue? Please explain.**
8

9 A. Dr. Cleary has not read Dr. Booth’s evidence during the current proceedings with
10 the objective of providing clearly independent expert advice regarding the equity
11 ratio. Dr. Cleary is aware that during the 2016 proceedings, and in previous
12 proceedings, Dr. Booth recommended a reduction of the equity ratio to 40%. Dr.
13 Cleary would assume that Dr. Booth focused his analysis on a recommended ROE
14 based on the assumption of the status quo with respect to the equity ratio, which
15 represents a logical starting point. Such an approach would not imply that Dr. Booth
16 is “recommending” a 45% equity ratio, but rather taking it as a “given.”