

- 1 **Q.** Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of
2 Laurence D. Booth, September 28, 2021, page 39, lines 1-3.
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4 *“There is no question that the province’s fiscal position is not as strong as in*
5 *2016 or even 2018, as it seems to have reverted to pre 2007. Whether this*
6 *affects the risk of Newfoundland Power, however, is question.”*
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8 **Does Dr. Booth believe the province’s fiscal position affects the risk of**
9 **Newfoundland Power? Please explain.**
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12 **A.** Not directly, but it does indirectly. If the province’s situation deteriorates
13 enough then it may result in higher taxes and lower benefits resulting in further
14 out-migration and loss of customers to NP. However, what seems to be
15 happening is the Province is simply reverting to a period similar to that before
16 offshore oil and gas was discovered.