

1 **Q.** Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of Laurence
2 D. Booth, September 28, 2021, page 42, lines 11-12.

3
4 *“Of importance is that the utility can be shielded from almost all these risks*
5 *by rate design and the use of deferral accounts.*

6
7 **Has Dr. Booth compared Newfoundland Power’s deferral and variance**
8 **accounts to those of peer companies? If so, please provide that**
9 **comparison.**

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11
12 **A.** Not directly in this hearing but he has in past hearings, since what is important
13 is the *outcome* of those deferral accounts which is the ability of the utility to
14 earn or *exceed* its allowed return. *Ipsso facto* NP’s consistent ability to (over)
15 earn its allowed ROE indicates the effectiveness of its deferral accounts.

16 Dr. Booth would note that before the BCUC he discussed this with Board
17 members since the Ontario gas utilities did not have weather deferral accounts,
18 but BC Gas (subsequently Fortis BC Energy) did. The result was that the
19 Ontario gas utilities consistently over earned, whereas BC Gas did not. The
20 point was that not all deferral accounts are put in to protect the utility.