

- 1 **Q. Evidence, page 67, lines 16-23 and page 62, lines 1-4. Confirm that the ROE for**  
2 **Newfoundland Power, applying the CAPM method would, without any**  
3 **adjustments to reflect current market conditions, be in the range 5.82% and**  
4 **6.87%.**  
5
- 6 **A. Yes, but that would not be Dr. Booth's recommended ROE given his view on the**  
7 **current forecast Long Canada bond yield being below any equilibrium level. It**  
8 **ignores the fact that the main buyer of long term Canada debt is the Bank of Canada.**