

- 1 **Q. Evidence, page 98, lines 10-11. Implementation of Dr. Booth's personal**
2 **recommendation would result in Newfoundland Power having the lowest**
3 **approved ROE of any electrical utility in Canada.**
4 **(a) Why, in Dr. Booth's opinion, should Newfoundland Power have a**
5 **lower ROE than any other electrical utility in Canada or are the ROEs for**
6 **the others higher than required for the fair return standard?**
7 **(b) In Dr. Booth's opinion does Newfoundland Power have the lowest**
8 **business risk of regulated utilities in Canada?**
9
- 10 **A. See Dr. Booth's answer to PUB-CA-020 above.**
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- 12 Dr. Booth judges NP to be an average risk T&D utility where, if it were an Alberta
13 utility, it would probably be allowed an 8.5% ROE on 37% common equity or an
14 equity return of 3.15%. Dr. Booth's personal recommendation is for an equity return
15 of 7.5% on 40% common equity or an equity return of 3.0% which is only very
16 marginally less than the AUC decision. However, Dr. Booth judges a reasonable
17 decision to be an allowed ROE of 8.5% on 40% common equity or an equity return
18 of 3.40%.