

- 1 **Q. Reference: Evidence of Laurence D. Booth, p. 2.**
2
3 **Dr. Booth states “...there is no doubt that a 45% common equity ratio for NP is**
4 **excessive compared to its Canadian peer group.” Please provide all evidence that**
5 **supports this statement.**
6
- 7 **A.** This is an empirical observation as the Canadian peer group has an average common
8 equity ratio of 40% and these include utilities with generation and are not pure T&D
9 utilities like NP. For example, on page 113 Dr. Booth points out that NP’s sister
10 companies within Fortis have the following common equity ratios:
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- | | | |
|----|--------------------|-----|
| 12 | Fortis BC Electric | 41% |
| 13 | Maritime Electric | 40% |
| 14 | Fortis Ontario: | 40% |
- 15
16 He would add Nova Scotia Power at 40% and Fortis Alberta at 37%.