

1 Q. Reference: *Fair Return and Capital Structure for Newfoundland Power (NP)*,
2 Evidence of Laurence D. Booth, April 2024, page 85, lines 10-12.

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4 *“However, I am not aware of any decision that has explicitly taken estimates from U.S.*
5 *companies or the U.S. capital market and said that they are appropriate for use in*
6 *Canada without any adjustment.”*

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8 Please confirm whether Dr. Booth is aware of decisions from the BCUC (September
9 2023) and the AUC (October 2023) in which the regulator relied on a North
10 American proxy group that included results for both Canadian and U.S. companies,
11 without making any adjustment for U.S. data.

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13 A. Dr. Booth did not participate in that hearing, but he is aware that:
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- 15 a) The decision was based on the expert reports in that hearing, and as far as
16 Dr. Booth is aware there were no Canadian expert witnesses presenting fair ROE
17 evidence in that hearing to dispute the US based witnesses. Dr. Booth has no idea
18 why interveners or the Board did not solicit more relevant expert reports. It is not
19 surprising that the BCUC, after hearing US witnesses presumably presenting
20 mainly US evidence, was forced to make a decision based on this evidentiary basis.
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 - 22 b) The BCUC has in the past stressed that it will look at US results when there are
23 insufficient relevant Canadian companies, and Dr. Booth is not aware of them
24 repeating its statement of a necessary deduction. However, Dr. Booth does not
25 know whether the final decision was the result of applying an implicit deduction
26 to the US results, or whether the BCUC implicitly based its decision on an
27 incremental analysis.