

- 1 **Q.** Reference: *Fair Return and Capital Structure for Newfoundland Power (NP)*,
2 Evidence of Laurence D. Booth, April 2024, page 100, lines 2-4.
3
4 *“... I judge electricity to be competitive in Newfoundland and Labrador, and that it*
5 *would require very large increases in power costs from Hydro before people even think*
6 *of switching to alternative fuels.”*
7
8 a) Will increasing electricity rates encourage customers to conserve electricity
9 where possible? Please explain.
10
11 b) Please describe how concerns regarding the reliability of the Labrador-Island
12 Link and the adequacy of generation resources on the Island of Newfoundland
13 were factored into Dr. Booth’s assessment of Newfoundland Power's business
14 risk.
15
16 c) As part of his assessment, did Dr. Booth consider the impact of costs associated
17 with constructing permanent back-up generation for the Labrador-Island Link
18 or the construction of other sources of generation on the Island of Newfoundland,
19 such as Bay d’Espoir Unit 8?
20
21 **A.** a) Possibly, but the demand for electricity is relatively inelastic as demonstrated by
22 the significantly higher prices in other major cities.
23
24 b) Please see Dr. Booth’s answer to NP-CA-27.
25
26 c) No. Dr. Booth sees this as a problem that is beyond the 2025/2026 test years where
27 the continuation of Holyrood is a short term solution. Consequently, he expects
28 this to be resolved in the medium term.