

- 1 **Q. Laurence D. Booth Report, page 104, lines 5-13. Dr. Booth expresses the opinion that**  
2 **Newfoundland Power has lower risk than in the past for the reasons explained in his**  
3 **report and that it has as low, if not lower risk, than other electricity utilities in**  
4 **Canada. If the Board concludes, contrary to Dr. Booth’s opinion that Newfoundland**  
5 **Power is an average risk utility, how would this affect Dr. Booth’s opinion on the fair**  
6 **ROE for Newfoundland Power and its capital structure?**  
7
- 8 **A.** It would make no difference as Dr. Booth made similar recommendations in 2016, 2018  
9 and 2021, before climate change legislation introduced carbon taxes and made NP even  
10 lower risk. In other words, Dr. Booth has not recommended a move to the AUC common  
11 equity ratio for a T&D utility of 37%. Instead, he recommends moving to the lower bound  
12 of the Board’s prior judgement of a reasonable common equity ratio for NP in a range of  
13 40-45%.