

Q. NLH-126 CA (Re: DCF test applied to industrials)

Please explain what led Dr. Kalymon to reduce the level of expected growth from 8.0-9.0% in the Newfoundland Power proceeding to 7.5-8.5% in the NLH proceeding.

A. **The expected growth rates are based on the observed levels of growth and potential growth as documented in each testimony. Since these values have changed, the estimate of growth has changed. The determination of the current expected growth level is documented in the testimony at pages 35-37 of the testimony.**