

NLH-180 PUB

Dr. Waverman concludes that Hydro does not have common stock equity investors. Please explain under what circumstances, if any, he would conclude that Hydro does have common stock equity investors while remaining a Crown Corporation. For example, if the Province were to raise \$100 million in debt and use it to make an equity investment in Hydro, would Dr. Waverman's conclusion that Hydro does not have common equity investors then change?

- A. I did not draw a conclusion on this question in my testimony. Nevertheless, Hydro would continue to have shareholder's equity but not common stock equity traded in open capital markets if the Province were to infuse shareholder's equity into Hydro.