

1 **Q. Dr. Cleary Evidence, Page 22, Lines 9-10: Dr. Cleary asserts there appears**
2 **to be no concrete evidence to suggest that Muskrat Falls has led to an increase (or**
3 **decrease) in Newfoundland Power’s business risk. Please explain fully what weight,**
4 **if any, Dr. Cleary places on the observations of DBRS relating to Newfoundland and**
5 **Labrador Hydro’s high capex program making it more difficult for Newfoundland**
6 **Power to receive approval for future rate increases.**

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8 A. Dr. Cleary evaluated this factor and found conflicting evidence from NP
9 regarding whether or not supply risk has in fact increased, stayed the same, or decreased.
10 Like Mr. Coyne, I do not claim to be an expert in transmission reliability or weather-
11 related risks. Therefore, I have to rely on evidence provided by such experts. The
12 evidence is conflicting since NLH has claimed that supply risk will be reduced, while NP
13 is claiming it will be increased. Since the matter is currently under review, Dr. Cleary has
14 no way of knowing whether supply risk has increased, decreased or stayed the same.
15 Therefore, Dr. Cleary assumes that supply risk has not increased, at least not in any
16 material way. The basis for this conclusion is provided in greater detail in the response to
17 PUB-CA-023.

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19 With respect to the cost uncertainty associated with Muskrat Falls, please refer to the
20 response to NP-CA-010.

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22 With respect to any potential additional capital expenditures, these outlays can be passed
23 on to customers as indicated in the response to PUB-NP-040, where NP indicated that
24 additional capital expenditures could be recovered in future years.