

1 **Q. Reference: Dr. Booth Evidence, Page 98, Line 9: Does Dr. Booth disagree**
2 **with Dr. Cleary that credit metrics are not an important consideration in assessing**
3 **the relative business risk of Newfoundland Power. Please elaborate.**

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5 A. Credit metrics apply to financial risk. Business risk is for a 100% equity financed
6 firm, where by definition there is no credit rating. So from that perspective Dr. Booth
7 would agree that credit metrics are a separate issue. He also agrees with Moody's that
8 they are not the most important factor, where they place 50% weight on broadly defined
9 regulatory protection and its implications.