

- 1 **Q. Does Newfoundland Power consider itself to be an average risk Canadian Utility?**  
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- 3 A. The Board has indicated that it has considered Newfoundland Power to be an average risk  
4 Canadian utility since the 1990s. Newfoundland Power's capital structure, with a target  
5 45% common equity ratio, has been part and parcel of the Board's assessment of the  
6 Company's risk profile over this period. Newfoundland Power has not taken issue with  
7 this assessment in the past.  
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- 9 In this Application, a struggling local economy and increased uncertainty associated with  
10 wholesale power supply are prominent contributors to the Company's overall riskier  
11 outlook when compared to the outlook at the time of the *2013/2014 General Rate*  
12 *Application*.  
13
- 14 It is Concentric Energy Advisors' opinion that Newfoundland Power currently is above  
15 average risk in comparison to its Canadian peers.  
16
- 17 Please refer to the response to Request for Information PUB-NP-071.