

- 1 Q. Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of
2 Laurence D. Booth, September 28, 2021, page 44, line 17.
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4 *“Risk itself is forward looking not backward looking.”*
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6 **Given Dr. Booth’s position that risk is forward looking, please explain the**
7 **relevance of Newfoundland Power’s historical achieved ROE in assessing**
8 **its business risk.**
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11 A. Just because something has never happened does not mean to say it can’t but
12 our judgment is formed on the fact it has never happened. Dr. Booth has never
13 seen an iceberg in Lake Ontario but it may happen sometime. It is just that
14 based on past experience it is highly unlikely.