

- 1   **Q.     Re: Newfoundland Power's company overview pages 13-15**  
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3       **a.     Mr. Cicchetti provides a brief overview of the company. Can he please**  
4           **explain how this discussion was factored into his recommendations**  
5           **given that they are based solely on a sample of US utilities.**  
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7       **b.     Can Mr Cicchetti explain in detail how he came to the conclusion that**  
8           **Newfoundland power is equivalent in risk to his US proxies, that is,**  
9           **what explicit checks did he conduct to validate his choice of proxies.**  
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11   **A.     (a.)   Mr. Cicchetti's examination of Newfoundland Power allowed him to**  
12           **determine its similarity to the utilities in his analyses.**  
13  
14           **(b.)   Mr. Cicchetti determined Newfoundland Power was similar in risk to the**  
15           **comparison utilities by examining the nature of their operations, their**  
16           **business risk, financial risk, bond rating, beta, equity ratio, Value Line**  
17           **Safety Rating, size, earnings, and regulatory support.**