

1 **Q. Reference Evidence of Newfoundland power, pages 3 & 21: On page 3 the company**
2 **points out that the Board approved ROE of 9.0% in 2010 was set at 0.52% higher**
3 **than the Board's formula ROE of 8.48% and on page 21 that the Board's ROE was**
4 **in part based on a 4.5% forecast LTC yield and the formula ROE at this forecast**
5 **yield would have been only 0.13% lower than the 9.0% allowed ROE, which was**
6 **lower than the increases allowed other regulators when retaining their formula. Is**
7 **the company implying that the Board was unaware of the ROE emanating from its**
8 **formula?**

9
10 **A. No.**