

1 **Q. Reference Evidence of Newfoundland power, pages 3 & 21: Please indicate what the**
2 **AUC's ROE formula would have awarded for 2010 and its actual award, that is, the**
3 **financial crisis risk premium allowed by the AUC in 2009.**
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5 A. In Decision 2009-216 which determined returns on equity for 2009 and 2010, the Alberta
6 Utilities Commission (the "AUC") explicitly decided it would *not* employ an adjustment
7 formula for 2010 (see para. 423, page 110).
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9 In reaching its decision not to employ a formula the AUC indicated it was "...not
10 prepared to simply re-impose the same formula or any formula without a careful
11 assessment of changes in the capital markets and a reconsideration of the types of factors
12 that should be built into a formula" (see para. 422, page 110).
13

14 Given the AUC's explicit decision *not* to use a formula for 2010 and the stated reasoning
15 for that decision, Newfoundland Power is not in a position to indicate what the AUC
16 would have awarded as a formula return on equity for 2010 had it chosen to do so.