

1 **Q. Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on:**
2 **Please confirm that in the 2009 hearing the time period for the DCF study was**
3 **March 1991 to March 2009 and explain why this was not simply updated. Please**
4 **update the original 2009 data and provide the corresponding DCF estimates.**
5

6 A. Confirmed. The data were not simply updated for two reasons. First, the sample in this
7 case was selected with more stringent criteria to address the PUB's concern that the
8 sample of companies was not comparable to Newfoundland Power. Second, as noted in
9 footnote 90 of Ms. McShane's evidence, the analysis starts with 1998 in this proceeding
10 so that the period covered coincides with the years during which long-term Canada and
11 U.S. Treasury bond yields have been broadly similar. For the reasons stated above, the
12 data from the 2009 sample have not been updated.