

1 **Q. Evidence of Kathleen McShane – Appendix “B”, “Selection of U.S. Low Risk Utility**
2 **Sample.”: Would Ms. McShane please identify which of the companies in her Low**
3 **Risk Utility Sample would be considered by her to be,**

4 (a) less risky than Newfoundland Power?

5 (b) more risky than Newfoundland Power?

6 (c) equally risky as Newfoundland Power?

7
8 A. Taking all factors (business, regulatory and financial) into account, as summarized in the
9 debt ratings, there are eight companies that can be viewed as having similar overall risk
10 to Newfoundland Power, i.e., those with Baa1 ratings, and five as having less overall risk
11 to Newfoundland Power, i.e., those rated A3 and higher. Please see Schedule 13, page 1
12 of 2.