

1 **Q. Evidence of Dr. Vander Weide: At p. 24 of 106, Dr. Vander Weide states:**

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3 **“Some observers have argued that Canada utilities have lower regulatory**  
4 **risk than U.S. utilities because Canadian regulators generally make greater**  
5 **use of cost adjustment and revenue stabilization mechanisms than U.S.**  
6 **regulators.”**

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8 **Who are the “observers” referred to by Dr. Vander Weide? Would Moody’s be**  
9 **considered such an “observer” by Dr. Vander Weide?**

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11 **A.** Dr. Vander Weide is referring to observers such as Dr. Booth. Dr. Vander Weide did not  
12 have Moody’s in mind when he wrote the cited statement because Moody’s opinions  
13 relate to the risk of investing in Newfoundland Power’s bonds, whereas Dr. Vander  
14 Weide’s opinions relate to the risk of making an equity investment in Newfoundland  
15 Power.