

1 **Q. McShane Evidence – Would Ms. McShane please specifically identify which of the**  
2 **companies in her sample she would consider to be:**

- 3  
4 (a) less risky than Newfoundland Power Inc.  
5 (b) more risky than Newfoundland Power Inc.  
6 (c) equally as risky as Newfoundland Power Inc.  
7

8 **Please note that this question is requesting a company-by-company reply.**  
9

10 A. Ms. McShane selected a sample of companies, each of which is intended to be of  
11 reasonably comparable total (business, regulatory and financial) risk to Newfoundland  
12 Power. If a further refinement is to be made, the debt ratings of the companies represent  
13 the sole objective factor that can be used to differentiate the companies for comparison to  
14 Newfoundland Power. Debt ratings are the only objective total risk measurement  
15 available for Newfoundland Power. Based on the debt ratings, there are eight companies  
16 that can be viewed as having similar overall risk to Newfoundland Power, i.e., those with  
17 Baa1 ratings, and five as having less overall risk to Newfoundland Power, i.e., those rated  
18 A3 and higher. Please see Schedule 13, page 1 of 2.