

1 **Q. Reference: Answer of Ms. McShane to CA-NP-370:**

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3 **Ms. McShane in answer to g) judges NP to be an average risk utility overall. She**  
4 **states that NP's application and previous Board decisions bear this out. Given that**  
5 **Newfoundland Power has a 45% common equity ratio, whereas most other**  
6 **Canadian electric transmission and distribution utilities have about 40% would**  
7 **both Newfoundland Power and Ms. McShane therefore judge Newfoundland Power**  
8 **to have above average business risk offset by below average financial risk?**  
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10 **A.** No, not in terms of fundamental business risk and regulatory framework. She does,  
11 however, consider that Newfoundland Power's relatively small size warrants a higher  
12 than average common equity ratio. Please see response to Request for Information  
13 PUB-NP-057 and the response to Request for Information CA-NP-319 referenced in  
14 response to Request for Information PUB-NP-057.