

1 **Q. Reference pages 13-21: Risk profile and capital structure: Mr. MacDonald**
2 **concludes (page 21) that NP is an average risk Canadian utility. Please indicate the**
3 **basis for this conclusion given that there is no discussion of other “comparable”**
4 **Canadian utilities.**

5
6 A. Mr. MacDonald reviewed the main business and financial risk factors impacting the
7 operations of NP as outlined in his report. Mr. MacDonald concluded that NP’s main
8 business, regulatory and financial risks have not materially changed since the 2010 GRA.
9 Since there has been no material change in risks faced by NP we believe the company
10 continues to be an average risk Canadian utility. As well, we are unaware of material
11 changes of risks faced by other investor-owned utilities since the 2010 GRA. Mr.
12 MacDonald reviewed the public disclosures and annual reports of other Canadian
13 publicly listed utilities and identified no material change in their businesses.