

- 1 **Q. Reference pages 13-21: Risk profile and capital structure: Please indicate how**
2 **much the extra 5% common equity in NP's capital structure is worth in terms of a**
3 **lower ROE should the Board agree that NP is an average risk Canadian utility.**
4
- 5 A. If the Board determined that NP's deemed common equity ratio should be reduced, Mr.
6 MacDonald would likely increase his conclusion of fair ROE.