

1 **Q. Reference pages 13-21: Risk profile and capital structure: Please indicate why a**
2 **stable or slow growing utility is risky? Wouldn't the absence of any changes indicate**
3 **lower risk, that is, isn't change itself a source of risk?**
4

5 A. Mr. MacDonald believes that the risk assessment of a utility must consider all risk factors
6 in assessing risk levels, including the historic and prospective growth. Mr. MacDonald
7 does not believe that change itself is necessarily a source of risk.