

1 **Q. Reference: Page 4 Lines, 10-12**  
2

3 **With reference to CA-NP-004A Dr. Booth states “I would accept that NP has average**  
4 **business risk, an assessment that NP seems to accept and also that it has lower**  
5 **financial risk, which NP also seems to accept.”**  
6

7 **Please indicate specifically where in the response to Request for Information CA-NP-**  
8 **004A Newfoundland Power indicates it has lower than average financial risk.**  
9

10 **A. NP clearly states:**  
11

12 “Newfoundland Power’s target common equity ratio of 45% is higher than that typically  
13 approved for regulated Canadian electric utilities.” With a higher common equity ratio, by  
14 definition, there is lower financial risk to the common equity holder.