

1 **Q. Reference: Page 79, Lines 5-7**

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3 **Dr. Booth states, "Currently, The TransCanada Mainline is facing significant long run**
4 **risk involved in capital recovery, that is, the possibility of stranded assts. However,**
5 **NP is not facing any risks of this kind."**

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7 **Would Dr. Booth agree that Newfoundland Power's continuing obligation to serve in**
8 **rural areas that have fewer customers and declining sales increase the risk of**
9 **stranded assets? If not, why not?**

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11 **A.** Not at all, in fact Dr. Booth would judge the conclusions to be entirely the opposite. Dr.
12 Booth would judge the Board of Commissioners to be reasonable, as is the judgment of
13 Moody's. By enforcing a service and investment obligation on NP, Dr. Booth would then find
14 it extremely unlikely that the Board would judge those investments to be imprudent and
15 disallow rate rebalancing to recover their costs elsewhere.