

1 **Q. Reference: page 80, lines 1-2**

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3 **"I would compare NP with the following Canadian electric utilities, which vary in size**
4 **but have similar common equity ratios." Dr. Booth then compares Newfoundland**
5 **Power to ATCO Electric, FortisBC Inc., Maritime Electric and Nova Scotia Power.**

6

7 **Please confirm that Maritime Electric has a target range for its common equity ratio**
8 **of 40% to 45% and that Maritime Electric's allowed equity ratio is equal to its forecast**
9 **actual ratio for the test period.**

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11 **A.** Dr. Booth's understanding (as of May 2010) was that Maritime Electric (MEC) had a
12 legislated 40% common equity ratio. At that time he was a witness on behalf of the
13 provincial government and the decision (UE10-03) makes no reference to the common
14 equity ratio. Note MEC is significantly smaller than NP, has a lower bond rating and had to
15 adjust to some significant short term changes.