

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's most recently approved ROE was 9.75% for**
8 **test year 2011.**

9
10 **A.** Correct. The 9.75% was based on a comparison with Nova Scotia Power which was then at
11 9.35% and the BCUC award of 9.50%. The BCUC is reviewing its ROE at the moment and
12 NSPI settled at 9.0% (September 13, 2012). So the same current comparison would cause
13 that allowed ROE to be 9.40%.

14
15 Further Dr. Booth recommended a premium ROE for MEC over his benchmark
16 recommendation since MEC is an above average risk utility as reflected in its premium
17 ROE.