

1 **Q. Opinion on Capital Structure and Return on Equity**  
2 **Kathleen McShane – Volume 3**

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4 **Pg. 22, Section 6 - Please confirm, given the conclusion that the business risk profile**  
5 **of Newfoundland Power has not changed materially since 2007 and 2009, that any**  
6 **increase in the cost of equity since that time solely relates to changes in the financial**  
7 **markets.**

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9 A. Confirmed.