

- 1 **Q. Referring to page 13 of Ms. McShane's testimony, she refers to NP's continued**  
2 **reliance on Newfoundland and Labrador Hydro for close to 90% of its power**  
3 **supply. Please describe how NP's reliance on Newfoundland and Labrador Hydro**  
4 **impacts its risk and if there have been any changes since NP's last rate order (2003).**  
5
- 6 A. All other things equal, because Newfoundland Power is dependent on a single source of  
7 power supply, its inherent business risk is higher than it would be if it owned and had  
8 direct control over its power supply and/or had access to a diversified portfolio of power  
9 supply from multiple sources. As indicated at page 13 of Ms. McShane's testimony,  
10 there has been no change in supply risk since Newfoundland Power's last general rate  
11 application.