

- 1 **Q.** Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of Laurence
2 D. Booth, September 28, 2021, page 43, lines 11-12.
3
4 *“In practical terms NP has never incurred any risk over the period since*
5 *1990.”*
6
7 **Does Dr. Booth consider an equity investment in Newfoundland Power to**
8 **be a risk-free investment? Please explain.**
9
10
11 **A.** No and Dr. Booth does not state that; as explained in answer to NP-CA-019
12 investors in long Canada bonds suffer market/interest rate risk even through
13 their payments are fixed and guaranteed. NP’s shareholders suffer market risk
14 even though they might always earn their allowed ROE. NP’s ultimate
15 shareholders through Fortis bear this risk every day.