

1 **Q. Evidence, page 46, lines 1-6. Dr. Booth states that Newfoundland Power’s**  
2 **statement in the response to CA-NP-018 that its risk assessment reflects both**  
3 **near-term and long-term analyses goes against “past practice of most**  
4 **Canadian boards”. What decisions by Canadian boards does Dr. Booth rely on**  
5 **for this conclusion?**  
6

7 A. The explicit statement of the OEB referenced in answer to PUB-CA-008 and the  
8 actions of regulators addressing risks when long-term “speculative” risks sometimes  
9 do become short-term risks and are brought up in a hearing. The National Energy  
10 Board (as it then was) dealt with the prospect of closer supply basins than the WCSB  
11 competing for the central Canadian market and consequently the TransCanada  
12 Mainline losing load. This was dealt with in a series of hearings prior to the main  
13 “Stranded Asset” hearing in 2012 (RH-003-2011) whereby the Mainline was  
14 allowed a progressively higher common equity by the NEB. When the risk did  
15 materialize the NEB allowed the Mainline to use some of its inherent market power  
16 to earn its allowed ROE.  
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18 What has to be remembered in terms of the NEB protection of the Mainline was that  
19 the Mainline provided throughput forecasts of its load and production from the  
20 WCSB, so this was not a far off speculative risk, but a risk that was subject to  
21 regulatory scrutiny.