

- 1 **Q.** Reference: *Fair Return and Capital Structure for Newfoundland Power (NP)*,
2 Evidence of Laurence D. Booth, April 2024, page 1, line 22 and page 2 lines 1-2.
3
4 *“In my judgment, we have a more favourable economic environment than at the time
5 of the three other hearings as is shown by the stock market recently hitting new highs.”*
6
- 7 a) Newfoundland Power operates exclusively on the island portion of
8 Newfoundland and Labrador. What economic indicators specific to
9 Newfoundland and Labrador did Dr. Booth consider in the assessment of
10 Newfoundland Power’s business risk?
11
- 12 b) How do the specific economic indicators identified in part a) compare to the rest
13 of Canada?
14
- 15 **A.** a) The relevant quotation is referring to the macro-economic environment and how it
16 affects interest rates, GDP growth and inflation, none of which are affected by
17 NP’s status as an island. For questions related to Newfoundland and Labrador’s
18 economic situation, please see NP-CA-007.
19
- 20 b) Please see Dr. Booth’s answer to NP-CA-007.