

1 **Q. Reference: Dr. Booth's Evidence, Page 67, Lines 1-5**

2
3 **Please confirm that Dr. Booth understands that Mr. Coyne's U.S. electric**
4 **proxy group is selected based on the same screening criteria in 2018 as Mr.**
5 **Coyne used in Newfoundland Power's 2016/2017 General Rate Application.**
6

7 A. Yes, that is Dr. Booth's understanding and a major source of his concern since the
8 same universe of companies can result in different companies popping in and out of
9 samples based on a single event. Investors on the other hand fully understand this
10 and price them based on what *could* happen not what *did* happen.
11

12 He finds it difficult to believe that a company that Dr. Vander Weide or Ms.
13 McShane could include a few years ago would not be in Mr. Coyne's 2016 sample
14 and yet reappear in 2018. Investors would judge that whatever caused the firm to
15 drop out of Mr. Coyne's sample one year and in the next to be part of their
16 investment risk.