

1 **Q. Reference: Dr. Booth Evidence, Page 74, Lines 15-17**
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3 **What concerns have Moody's Investors Services and DBRS expressed**
4 **regarding the effect of higher electricity prices due to the Muskrat Falls**
5 **hydroelectric project on Newfoundland Power's future ability to fully recover**
6 **costs and earn returns?**
7

8 A. They are adopting a watch and wait brief. Please see Dr. Booth's answer to PUB-
9 CA-012 where in a very recent opinion DBRS has reaffirmed NP's bond rating
10 despite Muskrat Falls concerns. Dr. Booth would recommend that the Board follow
11 a similar policy in this hearing and base the allowed ROE on the evidentiary record.
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13 Dr. Booth's view would be that if NP felt there was a serious risk they would have
14 filed a demand study to indicate potential loss of load and revenue and further how
15 they would rebalance rates to counter act it.