

1 **Q. Reference: Dr. Booth Evidence, Page 75, Lines 11-17**
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3 **What analysis has Dr. Booth conducted to determine whether similar actions**
4 **taken to mitigate electricity prices in Ontario are possible in Newfoundland**
5 **and Labrador to address the costs of the Muskrat Falls project?**
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7 A. Dr. Booth's judgement is that politicians react in similar ways when they fear losing
8 an election. Spreading the cost over a variety of government spending envelopes to
9 minimize rate shock would seem to be an obvious strategy. Further as DBRS notes
10 this is exactly what the Board is examining (paragraph below from DBRS October
11 4, 2018 rating report on NP). Dr. Booth's judgement would be that until it is clearer
12 how much rates will increase and NP files a demand study on any implications for
13 its ability to earn its allowed ROE or recover its costs is speculative, particularly
14 since the final report is not due until January 31, 2020.
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16 On September 5, 2018, the Province announced that the PUB will examine
17 the Muskrat Falls project and its impact on electricity rates. Specifically,
18 the PUB will review (1) options to reduce the impact of the Muskrat Falls
19 project on rates. Specifically, the PUB will review (1) options to reduce the
20 impact of the Muskrat Falls project on rates, including potential cost savings
21 and revenue opportunities by Nalcor, (2) amount of electricity and capacity
22 from the Muskrat Falls project for domestic and export loads and (3) the
23 potential electricity rate impacts of the Muskrat Falls project. An interim
24 report will be delivered by February 15, 2019, with the final report to be
25 delivered by January 31, 2020.