

1 **Q. Reference: Dr. Cleary's Evidence, Page 15, Lines 23-24**
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3 **Does Dr. Cleary believe that the Board erred in its 2016 Order when it**
4 **determined that it was appropriate to maintain Newfoundland Power's**
5 **common equity ratio at 45.0 percent? If so, please elaborate on the reasons**
6 **why Dr. Cleary disagrees with the Board's decision in 2016?**
7

8 **A.** The implication of this question is that *any* recommended change from the status
9 quo that is made by experts, including the 9.5% ROE recommendation made by NP
10 during these proceedings, indicates that the Board erred in previous decisions.
11 Clearly, these are inappropriate implications.
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13 That being said, Dr. Cleary recommended a 40% equity ratio in 2016, and has
14 maintained that recommendation during the current proceedings. This
15 recommendation is based on his expertise and on an assessment of the evidence that
16 is currently available.