

- 1 **Q. Evidence, page 43, lines 1-5. Do other utilities have similar earnings sharing**  
2 **mechanisms as Newfoundland Power? If yes, do the regulatory boards of those**  
3 **utilities consider the “true” ROE to be what is allowed by the regulator before**  
4 **the earnings sharing mechanism or the allowed ROE plus the potential**  
5 **additional ROE under the earnings sharing mechanism?**  
6
- 7 **A.** There are a range of earnings mechanisms normally associated with performance-  
8 based regulation. However, in Dr, Booth’s judgment the allowed ROE is usually  
9 regarded as that set by the regulator, not that part of the incentive retained by the  
10 utility even though some utilities routinely significantly exceed their allowed ROE.