

1 **Q. In reference to the evidence of Barry Perry, please advise if Mr. Perry is an expert**
2 **on equity risk premium and if it is the intention of the Company that he testify as an**
3 **expert on equity risk premium.**
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5 A. Dr. Morin and Ms. McShane are considered to be expert witnesses in the area of equity
6 risk premium. Mr. Perry is Newfoundland Power's Vice President of Finance and Chief
7 Financial Officer and in that capacity is responsible for maintaining the creditworthiness
8 and financial integrity of the Company.
9

10 The equity risk premium is a significant factor in the determination of return on equity,
11 which can have a major effect on the Company's financial integrity and creditworthiness.
12 Mr. Perry's testimony in this area is necessary in providing an adequate understanding of
13 the impact on Newfoundland Power of decisions regarding the equity risk premium.