

- 1 **Q. On page 28 of the Finance and Accounting Evidence by Barry Perry it states that**
2 **Newfoundland Power's expert witnesses recommend a level of 2% preferred equity.**
3 **Exhibit BVP-1, page 6 forecasts preferred equity to decline to 1.39 % in 2004? How**
4 **do you plan to deal with this discrepancy? How does this impact the rate of return?**
5
6 **A. Please refer to the Company's response to Request for Information CA-554.**