IN THE MATTER OF the *Public Utilities Act,* (the "Act"); and

IN THE MATTER OF the establishment of a just and reasonable return on rate base pursuant to Section 80 of the Act for Newfoundland Power Inc. ("Newfoundland Power").

Requests for Information by the Consumer Advocate

CA-NP-01 to CA-NP-200

April 11, 2012

CA-NP-01 Reference Evidence of Newfoundland power, pages 1-2: In the Company's overview pages 1-2 it states that the central issue in the hearing is to determine a just and reasonable return on rate base. It goes on to state that the return on equity generated by the Board's formula is not fair as it is "too low" and questions the use of an automatic ROE formula. The company goes on to present business risk testimony in both its own evidence and that of Ms.McShane, is it the company's view that its business risk has changed either since 2010 or earlier when it was placed on an automatic ROE adjustment mechanism?

CA-NP-02 Reference Evidence of Newfoundland power, pages 1-2: Does the company accept that capital structure changes (common equity ratio) mainly change as a result of changes in business risk as is the explicit policy of for example the Alberta Utilities Commission?

CA-NP-03 Reference Evidence of Newfoundland power, pages 1-2: Does the company accept the judgment of the Board that it is an average risk utility?

CA-NP-04 Reference Evidence of Newfoundland power, pages 1-2: Does the company accept that its 45% common equity ratio exceeds the typical common equity ratio

of similarly sized electric utility in Canada, if not what "comparable" Canadian utilities would the company regard as of similar risk, but with higher common equity ratios?

CA-NP-05 Reference Evidence of Newfoundland power, pages 1-2: Would the company accept that its higher common equity ratio reduces the financial risk faced by its common shareholders and all else constant should result in a lower allowed ROE compared to other Canadian utilities of equivalent business risk?

CA-NP-06 Reference Evidence of Newfoundland power, pages 1-2: Would the company accept that the cost of its long term debt has fallen since the 2010 GRA that set the allowed ROE at 9.0%?

CA-NP-07 Reference Evidence of Newfoundland power, pages 1-2: In the DBRS report of January 24, 2012 DBRS reports the company's actual ROE as 8.9%, 8.6%, 8.8%, 8.6$ and 9.0% for 2010 to 2006 respectively. Please provide the company's long term debt cost for each year on the same calendar basis as the DBRS ROE data.

CA-NP-08 Reference Evidence of Newfoundland power, pages 1-2: Please provide the 2011 ROE and borrowing cost on the same basis as the DBRS data.

CA-NP-09 Reference Evidence of Newfoundland power, pages 3 & 21: On page 3 the company points out that the Board approved ROE of 9.0% in 2010 was set at 0.52% higher than the Board's formula ROE of 8.48% and on page 21 that the Board's ROE was in part based on a 4.5% forecast LTC yield and the formula ROE at this forecast yield would have been only 0.13% lower than the 9.0% allowed ROE, which was lower than the increases allowed other regulators when retaining their formula. Is the company implying that the Board was unaware of the ROE emanating from its formula?

CA-NP-10 Reference Evidence of Newfoundland power, pages 3 & 21: If we are to look at the "extra" ROE allowed following the financial crisis, why would the correct reference point be a "de novo" ROE award rather than that from the ROE formula

which was under examination in the GRA?

CA-NP-11 Reference Evidence of Newfoundland power, pages 3 & 21: Please confirm that the Regie regards Gaz Metro as an above average risk utility and the referenced 9.20% allowed ROE includes the impact of this extra risk premium.

CA-NP-12 Reference Evidence of Newfoundland power, pages 3 & 21: Further to CA-NP-11 above please indicate what the Regie's allowed ROE would have been in 2010, that is, subtract out the extra risk premium for Gaz Metro.

CA-NP-13 Reference Evidence of Newfoundland power, pages 3 & 21: Further to CA-NP-11 above please indicate the financial crisis risk premium included in the Regie's 9.2% ROE award for Gaz Metro.

CA-NP-14 Reference Evidence of Newfoundland power, pages 3 & 21: Please indicate what the AUC's ROE formula would have awarded for 2010 and its actual award, that is, the financial crisis risk premium allowed by the AUC in 2009.

CA-NP-15 Reference Evidence of Newfoundland power, pages 3 & 21: Please indicate whether the Board's additional 0.52% over its formula ROE for NP in 2010 is more or less than the financial crisis premium allowed by the Regie and the AUC.

CA-NP-16 Reference Evidence of Newfoundland power, pages 3 & 21: Would the company have regarded the ROE emanating from the Board's formula to be just and reasonable if the 2010 ROE of 9.0% had been based on the actual forecast LTC yield of 4.01% calculated in the normal formulaic way rather than 4.5%?

CA-NP-17 Reference Evidence of Newfoundland power, pages 3 & 21: Further to CA-NP-16 above if the Board had simply added a financial crisis risk premium of 0.52% to the formula ROE for 2010 and indicated that this premium would exist until markets returned to normal, would the company regard the resulting ROEs to be just and reasonable?

CA-NP-18 Reference Evidence of Newfoundland power, pages 3 & 21: Further to CA-NP-17 if the answer is no, is it the company's view that the need for a financial crisis risk premium is greater for test year 2013 than it was for test year 2010? If so please provide all supporting documents that justify this view.

CA-NP-19 Reference Evidence of Newfoundland power, pages 22-23: The Company provides graphs indicating the drop in both current and forecast long term Canada (LTC) yields since November 2009. Please provide the equivalent actual yield on its own long term bonds, the yield on Bloomberg's long term utility index and the Scotia Capital (DE) A rated long term bonds.

CA-NP-20 Reference Evidence of Newfoundland power, pages 22-23: Is it the company's view that its own cost of debt has not changed with the significant decline in the cost of corporate debt?

CA-NP-21 Reference Evidence of Newfoundland power, pages 22-23: Would the company accept that the cost of LTC debt meets the fair return standard for the Government of Canada, that is, maintains financial integrity, attracts capital and is equivalent to that on other securities of equivalent risk? If not, why not.

CA-NP-22 Reference Evidence of Newfoundland power, pages 22-23: Would the company accept that its own cost of debt meets the fair return standard?

CA-NP-23 Reference Evidence of Newfoundland power, pages 22-23: Please confirm that the decline in its own borrowing cost as well as that of the Government of Canada are both objective indicators of a decline in the fair (just) rate of return? If not please provide an objective indicator (for example read from a newspaper or Bloomberg pages) that indicates that the fair rate of return has increased since the 2010 GRA.

CA-NP-24 Reference Evidence of Newfoundland power, pages 4-15: The Company discusses the main factors that determine its business risk. Please provide the company's actual and allowed ROE for each year since 1990 and discuss any material under earning where the company can define what it regards as

"material".

CA-NP-25 Reference Evidence of Newfoundland power, pages 4-15: Please provide the book equity at the start of the year and the actual net income earned in the following year for each year since the company has been on an ROE adjustment mechanism. Please provide the ROE for each of these years divided into the risk free rate and the risk premium components.

CA-NP-26 Reference Evidence of Newfoundland power, pages 4-15: Please estimate the cumulative risk premium that the company has earned since its ROE started to be determined in a formulaic manner.

CA-NP-27 Reference Evidence of Newfoundland power, pages 4-15: On pages 6-9 the company discusses ageing and demographic changes, would it accept that these are only important to the extent that they affect the long run ability of the company to recover its investment in rate base or forecast costs for the text year?

CA-NP-28 Reference Evidence of Newfoundland power, pages 4-15: Please indicate whether the company has the ability to rebalance rates should part of its rate base be no longer used and useful or request a deferral account should the forecasting errors become significant?

CA-NP-29 Reference Evidence of Newfoundland power, pages 4-15: Please confirm that the fixed component of its non-energy costs has declined since 1991 according to Table 1? In the company's view does this indicate increasing or decreasing business risk?

CA-NP-30 Reference Evidence of Newfoundland power, pages 14-17: The Company discusses regulatory risk. Please indicate whether the company believes that its regulatory risk has increased or decreased since 2000.

CA-NP-31 Reference Evidence of Newfoundland power, pages 14-17: Please indicate whether either of the two bond rating agencies view regulatory risk as increasing

or decreasing and whether it is greater or lower than equivalent utilities.

CA-NP-32 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please indicate (with full references and citations) all occasions that Ms. McShane has recommended an ROE adjustment mechanism since the onset of the financial crisis in September 2008.

CA-NP-33 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please provide the ROE formula that she proposed in the Enbridge Line 9 hearing before the NEB that was settled and the Gazifere hearing before the Regie, where her formula was not accepted.

CA-NP-34 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please indicate what in substance has changed in terms of "unsettled" capital markets, since she proposed these ROE adjustment formula.

CA-NP-35 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that capital markets are always to some degree "unsettled" and what would it take for her to return to recommending an ROE adjustment formula, similar to those she has proposed within the last two years.

CA-NP-36 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that with a 10.5% recommended ROE and 3.0-3.25% forecast long Canada bond yield she is recommending an all in 7.0-7.25% utility risk premium.

CA-NP-37 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that she judges Newfoundland Power to be an average risk utility.

CA-NP-38 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that with her all in 7.0-7.25% utility risk premium this implies a market risk premium much higher. Please indicate her market risk premium, consistent with her utility risk premium.

CA-NP-39 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please

confirm that in previous cases Ms. McShane has accepted a 50 bps issue cost/flexibility adjustment to add to her equity cost estimates and indicate why she thinks that issue costs/financial flexibility have increased over the last 3-4 years.

CA-NP-40 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please indicate any ROE decisions by a Canadian regulator in the last ten years that has placed any explicit weight on comparable earnings testimony in the manner developed by Ms. McShane for Newfoundland Power. That is, please provide explicit indicating the actual weight placed on her comparable earnings estimates.

CA-NP-41 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that when regulators did place weight on comparable earnings testimony they did so with a market to book ratio adjustment to ensure that they were not capturing the impact of market power on the part of other powerful firms.

CA-NP-42 Evidence of Ms. McShane: Overall recommendations Pages 2-3: Please confirm that Ms. McShane is aware of Dr. Vander Weide's recommendations and that he does not produce comparable earnings estimates.

CA-NP-43 Evidence of Ms. McShane Background Pages 4 – 6: In terms of the 7.85% ROE generated by the Board's formula for 2012, please confirm that this implies a utility risk premium of 4.79% based on forecast long Canada bond yields.

CA-NP-44 Evidence of Ms. McShane Background Pages 4 – 6: Please confirm that as a low risk investment a 4.79% utility risk premium implies a much higher market risk premium.

CA-NP-45 Evidence of Ms. McShane Background Pages 4 – 6: Please confirm that Ms. McShane has in the past recommended a fair ROE that involves a utility risk premium much less than 4.79%. Please indicate the last time that Ms. McShane made a recommendation for a Canadian utility that involved a utility risk premium less than 4.79%.

CA-NP-46 Evidence of Ms. McShane Background Pages 4 – 6: Please provide Mr. Justice Lamont's definition of a fair rate of return and confirm that it specifically refers to a rate of return on other securities of equal attractiveness, stability and certainty to that of the company's enterprise?

CA-NP-47 Evidence of Ms. McShane Background Pages 4 – 6: Would Ms. McShane accept that Mr Justice Lamont's definition came out of changed conditions in the money market and it is to the money market (now capital) market that we should look to estimate fair rates of return? If not why not?

CA-NP-48 Evidence of Ms. McShane Background Pages 4 – 6: Please confirm that the Federal Court of Appeal in its TransCanada decision specifically refers to a "cost of equity" and not an accounting rate of return.

CA-NP-49 Evidence of Ms. McShane Background Pages 4 – 6: Please indicate how the definition of Mr. Justice Lamont and the decision of the Federal Court of Appeal can justify comparable earnings testimony.

CA-NP-50 Evidence of Ms. McShane Background Pages 4 – 6: Please indicate Ms. McShane's recommended ROE if her comparable earnings testimony were not presented.

CA-NP-51 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Ms. McShane indicates that some BBB issuers can be closed out of the capital market, particularly the longer end (+20 year), please confirm that such companies usually maintain bank lines of credit so that they can finance short term and then issue long term debt as the market panic recedes.

CA-NP-52 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please indicate any Canadian utility that was unable to raise financing on fair reasonable terms during the financial crisis and provide full details.

CA-NP-53 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please

provide details on all financings made by Fortis during the worst of the financial crisis, September 2008-March 2009.

CA-NP-54 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please indicate whether either Fortis or Newfoundland Power were forced to reduce their dividend payments during the financial crisis to conserve cash to meet their regulated activities.

CA-NP-55 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please indicate whether Newfoundland Power issues debt in any currency other than the C$ or if it does whether that debt is then swapped into C$.

CA-NP-56 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please indicate whether the latest NP prospectus indicates that NP debt can be marketed to foreign purchasers.

CA-NP-57 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Please indicate the percentage of Fortis common shares owned by non-residents and whether it is cross listed for trading in the US and if so the proportion of shares traded in Canada versus elsewhere.

CA-NP-58 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: Ms. McShane makes the statement (page 11) that ROEs need to be comparable to a company's peers, please provide all legal and economic support for this proposition. Would Ms. McShane accept a comparable ROE, if that ROE were unfair and unreasonable either because it is too high or too low?

CA-NP-59 Evidence of Ms. McShane Capital Structure principles Pages 9 – 11: If a utility in another jurisdiction has a higher allowed ROE due to regulatory lag would Ms. McShane accept this ROE as part of her peer ROEs?

CA-NP-60 Evidence of Ms. McShane, business risk, Pages 12-18: Ms. McShane states that business risk has both a short and long term dimension. Please indicate whether she looked at NP's stated ability to earn its allowed ROE, why she did

not discuss this if she did and what role she judges that ability to warrant in terms of assessing the business risk of a utility.

CA-NP-61 Evidence of Ms. McShane, business risk, Pages 12-18: Ms. McShane mentions long term risk as changes that may affect the long run viability of the utility. Please confirm that the long run risk of stranded assets or the viability of the utility is normally assessed in determining the useful life of the assets through a depreciation study.

CA-NP-62 Evidence of Ms. McShane, business risk, Pages 12-18: Can Ms. McShane indicate when she last looked at a depreciation study prepared for NP and the current useful life and depreciation rate being used for NP's regulated assets?

CA-NP-63 Evidence of Ms. McShane, business risk, Pages 12-18: In assessing NP's economic useful life is Ms. McShane aware of any changes that have occurred over the last 10-15 years?

CA-NP-64 Evidence of Ms. McShane, business risk, Pages 12-18: Please confirm that when Ms. McShane indicates (page 16) that there is no material change in the long term outlook for NP this confirms a no change in its business risk assessment?

CA-NP-65 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: Please confirm that Newfoundland Power is regarded as "ring fenced" and explain what this means for its bond rating and the assessment of credit risk.

CA-NP-66 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: Please discuss in detail why S&P changed their policy towards rating regulated subsidiaries that were part of utility holding companies unless they were ring fenced.

CA-NP-67 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: Ms. McShane refers to NP's improved bond rating from Moody's as being caused by technical factors, is it her judgment that this upgrade has had no impact on NP's

market access?

CA-NP-68 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: Ms. McShane refers (fn 18) to most Canadian utilities' debt being unsecured, whereas NP's is secured. Would Ms. McShane accept that for other utilities an alternative to giving the utility a higher ROE or more equity to improve their credit metrics is for the regulator to insist that the debt be secured, such that they also get a higher rating? If not why not.

CA-NP-69 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: On Page 20 Ms. McShane refers to NP's Baa1 rating as being partly caused by its lower allowed ROE, if long Canada interest rates increased by say 2%, so NP's formula allowed ROE increased by 1.6%, in her judgement would this cause an upgrade in NP's issuer rating and would this cause NP's debt to be safer? Would NP's bond holder be happy if long Canada interest rates increased by 2%, causing the value of their debt to fall?

CA-NP-70 Evidence of Ms. McShane, bond ratings/credit metrics, Pages 18-23: Please confirm that DBRS' opinion of NP's debt was made (January 24, 2012) with the full knowledge of the drop in long Canada interest rates and their impact on NP.

CA-NP-71 Evidence of Ms. McShane, capital market conditions, Page 23-36: Ms. McShane discusses the problems that hit the capital markets in the Summer of 2011. How much weight would she place on the wrangling in the US Congress to increase the debt ceiling limit, which while ultimately successful seems to have been the major factor in the downgrade of the US by S&P in August 2011.

CA-NP-72 Evidence of Ms. McShane, capital market conditions, Page 23-36: On page 34 Ms. McShane derives a 5.0% "average" long term Canada bond yield, could she place a confidence interval around this 5% number, for example, +/- 0.25%?

CA-NP-73 Evidence of Ms. McShane, capital market conditions, Page 23-36: Since she is recommending a fixed ROE through at least 2013 is it her judgment that long Canada bond yields will recover from their current 2.7% level to average 5.0%

over that period?

CA-NP-74 Evidence of Ms. McShane, capital market conditions, Page 23-36: If the answer to CA-NP-73 is no, please indicate why NP should be awarded an ROE based on a long run average long Canada rate that she does not expect to prevail over the near term horizon?

CA-NP-75 Evidence of Ms. McShane, capital market conditions, Page 23-36: Is Ms. McShane aware of any other objective estimate of the long run expected rate of return in the capital market other than the yield on the long Canada bond? If the answer is yes, please provide the information.

CA-NP-76 Evidence of Ms. McShane, capital market conditions, Page 23-36: In terms of the dividend yield on the TSX, would MS. McShane accept that the cost of equity according to the DCF model is the sum of the expected dividend yield plus the expected growth rate so that a higher dividend yield may reflect a decline in long run growth prospects in the equity market? Please comment on whether the fact that the TSX is still 20% below its pre-crisis high may indicate lower long run growth prospects.

CA-NP-77 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Please confirm that any fair ROE can always be broken out into a risk free return plus a risk premium and her comments on the CAPM are mainly directed at using a constant, "average," historic market risk premium, rather than attempting to estimate a current market risk premium?

CA-NP-78 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Please confirm that "betas" vary over the estimation period as Dr. Booth explained in his testimony before the BCUC referenced on page 40 and that he has never relied on point estimates of betas in assessing the risk of a utility for this reason.

CA-NP-79 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Please confirm that Dr. Booth did not present full ROE testimony before the OEB

technical panel (referenced on page 41), while four witnesses on behalf of the utilities did, including Ms. McShane.

CA-NP-80 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: In the example on page 42 (lines 1056-1059) please confirm that if the investor wanted a return of 10% and the book and market value were both $100, then if the investors required rate of return drops to 5% then the market value would increase to $200 if we assume a perpetuity. If not please explain using the simple perpetuity model why this does not hold and why in the circumstances the regulator should not adjust the allowed ROE downward to remove the excess market value.

CA-NP-81 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Please explain why Ms. McShane has not looked at AltaGas as a Canadian utility.

CA-NP-82 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Please indicate which Canadian utilities are cross listed in the United States or elsewhere and the % foreign ownership and trading (page 43, line 1086).

CA-NP-83 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: In 2003 Ms. McShane provided testimony on behalf of the ATCO group of companies before the Alberta EUB. At that time ATCO recommended that the AEUB automatically call a hearing to review its ROE formula if it produced a utility risk premium at least twice the spread between "A" rated utility debt and the equivalent term long Canada bond. Can Ms. McShane confirm this condition and would she accept the PUB's ROE formula if it satisfied this condition? If not why not?

CA-NP-84 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Ms. McShane refers to regulators using a variety of cost of equity tests, please indicate for each of the US utilities in her US tests how their allowed ROE was last set and the weights that the regulator applied to each cost of equity test.

CA-NP-85 Evidence of Ms. McShane, Fair ROE conceptual foundations, page 36-44: Further to CA-NP-84 above please indicate (complete with citations) which US jurisdictions apply any material weight to either comparable earnings test as implemented by Ms. McShane.

CA-NP-86 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please confirm that equities have at times been extremely interest rate sensitive so that equity prices tend to increase when interest rates are reduced and decline when they increase? If not, why not?

CA-NP-87 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: If interest rates do affect equity prices why would she compare the actual returns on equities with the income component of the return on bonds (Table 7) when you are missing part of the return to the bond holder.

CA-NP-88 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please confirm that the market risk premium defined as the average return on equities minus that on bonds has been 4.7-4.8% in Canada and 5.6-5.7% in the US over her time periods.

CA-NP-89 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please confirm that an increase in inflationary expectations causes bond yields to increase and all else constant equity prices as well as bond prices to fall? If not please explain why not?

CA-NP-90 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please confirm that the average of any estimate always changes when for some reason you exclude a large number of observations (discussion page 52) and that currently the loose monetary policy in the US has a lot of inflation hawks worried about incipient inflation in the US.

CA-NP-91 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please agree that if 0.30% difference in return between the US and Canada due to higher volatility is "de minimus" that she would not object to reducing her US

estimates by that amount since that is her estimate?

CA-NP-92 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Ms. McShane claims there are similar bond yields in the US and Canada, please provide the current yield on the 30 year Government of Canada and US Treasury bond and the three month treasury bill yield in both countries.

CA-NP-93 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Given the discussion on pages 55-56 that based on a long run long Canada yield of 5.0% the market risk premium is 6.5% and based on current yields of 3.25-3.50% her market risk premium estimate is 8.0%, will she accept that her expected return on the market is 11.25%-11.50% regardless of the level of interest rates? Does this mean that Ms. McShane does not believe that the level of interest rates has a significant bearing on expected equity market returns?

CA-NP-94 Evidence of Ms. McShane, Equity risk premium tests, Pages 44-56: Please confirm that in her 2009 testimony (page 55) Ms. McShane used a 6.75% estimate for the market risk premium.

CA-NP-95 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: With reference to the statements on the CAPM that betas are the sole source of risk, please indicate any asset pricing model that does not include a beta or market factor. For example, would she accept that the Fama-French three factor model has a beta factor, that the Carhart model with momentum has a market (beta factor) that the Black two factor model has a market (beta) factor?

CA-NP-96 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Would Ms. McShane provide details on any accepted asset pricing model that does not have a market (beta) factor at its core, since the only assumption needed is that investors diversify?

CA-NP-97 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please provide beta estimates for the gold stocks on the TSX and confirm that it is her judgment that they have negative betas.

CA-NP-98 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please confirm that ex-post, that is, after the fact there are often negative betas, but this does not mean that they are expected to be negative in the future.

CA-NP-99 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please confirm that investors are well aware of the long lived nature of utility assets and this is reflected in their risk profile.

CA-NP-100 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please confirm that trading and markets are now dominated by institutions and indicate which institutions she believes do not hold large diversified portfolios.

CA-NP-101 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: In Schedule 9 please add the standard deviation of the return on the long bond over the same time periods.

CA-NP-102 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please indicate any theoretical model that uses standard deviations (on their own) as a measure of risk to price equity securities.

CA-NP-103 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please indicate why betas measured over the same time period December 2008-December 2011 should have weekly betas twice those of their monthly betas. Please provide the data so the results can be confirmed.

CA-NP-104 Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: Please confirm that in the regression models on page 61 and 62 that even including an interest rate factor the beta or market factor is still less than 0.50 for utilities.

CA-NP-105 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm that Ms. McShane's regression models on page 60 and 61 are based on returns and not excess returns.

CA-NP-106 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm that sing returns means that the intercept is equal to the risk free rate times one minus the beta coefficient and is not "unexplained" as she claims.

CA-NP-107 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm that the fair return estimate on page 62 (line 1550) is hypothetical, since it is based on a forecast long Canada bond yield and market return which do not reflect current expectations.

CA-NP-108 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm (contrary to fn 74) that the empirical CAPM is estimated with the 30 day return on the treasury bill subtracted from both the individual stock and the market return.

CA-NP-109 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm that Ms. McShane is recommending that the Board set an allowed ROE in part based on factors she cannot explain since she includes a 2.5% "unexplained" return on her model on page 63.

CA-NP-110 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please provide the standard error for the 2.5% unexplained factor.

CA-NP-111 Evidence of Ms. McShane, Two factor model, Pages 60-67: With reference to CA-NP-109 above would Ms. McShane agree that one reason for the higher returns could be the improved regulatory environment as represented by the adoption of forward test years, the removal of the commodity function, fuel pass throughs, the increased use of deferral accounts, the adoption of ROE formulae etc. If not please explain how these risk reduction changes would show up in her regression model when she uses fixed coefficients, that is, the risk factors (betas) are constant throughout the time period.

CA-NP-112 Evidence of Ms. McShane, Two factor model, Pages 60-67: Please confirm that what she refers to as "raw" betas are the actual beta estimates and that the Blume adjustment model (fn 84) was developed for all stocks not utilities. Please indicate if she us aware of any studies that have explicitly looked at the

behaviour of utility betas.

CA-NP-113 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please provide in an Excel readable format the full data set used in the analysis on page 68, that is, the monthly dividend yield, growth forecast and treasury yield from 1998-2011.

CA-NP-114 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please confirm that in the 2009 hearing the time period for the DCF study was March 1991 to March 2009 and explain why this was not simply updated. Please update the original 2009 data and provide the corresponding DCF estimates.

CA-NP-115 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please provide separately a regression equation similar to that in Schedule 14 of the dividend yield against the explanatory variables and the growth forecast against the explanatory variables.

CA-NP-116 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Would Ms. McShane agree that US government bond yields are lower than would be the case if the US was not the world's reserve currency and her market risk premium estimates correspondingly lower, if not why not?

CA-NP-117 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please confirm that Ms. McShane's US estimates of the DCF fair return have dropped from 11.1% in 2009 to 9.7% for 2011 or a decline of 1.4% (Schedule 14-1).

CA-NP-118 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please explain what has caused the decline in US equity costs of 1.4% since the time of NP's last GRA in 2009.

CA-NP-119 Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on: Please confirm that the similar decline for her 3-stage DCF model is 1.3%

(Schedule 14-3).

CA-NP-120 Evidence of Ms. McShane, Historic returns, Page 74-77: With reference to experienced returns on utilities, please indicate whether or not these returns would be higher or lower if allowed ROEs were systematically set too high and too low?

CA-NP-121 Evidence of Ms. McShane, Historic returns, Page 74-77: Please estimate these experienced returns for the two sub periods 1956 (& 1947)-1981 and 1982-2008 and whether in her judgement the "risk premium" are the same in both periods.

CA-NP-122 Evidence of Ms. McShane, Historic returns, Page 74-77: Please discuss any differences and why such estimates are not circular in reflecting pervious regulatory ROE and business risk reduction decisions.

CA-NP-123 Evidence of Ms. McShane, Historic returns, Page 74-77: Please indicate any Canadian regulator which has explicitly placed any reliance on such experienced returns.

CA-NP-124 Evidence of Ms. McShane, Historic returns, Page 74-77: Please confirm that whereas the historic returns indicate a 4.2% premium of utility returns over long Canada bond returns, Ms. McShane's "historic" estimates are not based on this estimate, but on her assumed elasticity factors with respect to market interest rates. Please indicate when she started adjusting her historic experienced return estimates in this way.

CA-NP-125 Evidence of Ms. McShane Pages 63: With referenced to the accepted optimism of analyst growth forecasts, please indicate the Canadian regulators who have questioned their reliability and any ones that have accepted them and based their ROE awards on them *without* adjustment.

CA-NP-126 Evidence of Ms. McShane Pages 63: Please provide all evidence that "sell side" analyst forecasts are accepted by investors and fully incorporated into equity prices. Further please indicate why "buy side" analysts exist if sell side analyst's

views are fully incorporated into equity prices?

CA-NP-127 Evidence of Ms. McShane Pages 63: Please indicate how the well accepted analyst optimism bias is removed even if they are accepted and fully incorporated into equity prices given that analysts disagree? That is, which analyst forecasts are fully incorporated into equity prices and why would it be the median or average, when a new analyst has an incentive to give a radical forecast to distinguish them from the crowd?

CA-NP128 Evidence of Ms. McShane Pages 63: Please indicate why Ms. McShane believes that a private forecaster like Value Line, whose estimates are not widely available, is more likely to have their forecasts impounded into equity prices than other forecasters? Please indicate the annual cost of a Value Line subscription.

CA-NP-129 Evidence of Ms. McShane Pages 63: Please provide the annual dividend per share data for each of the firms and for all years used in her estimation procedures in her US DCF sample both individually and as a sample average. Please provide a time series regression of their annual dividend per share growth rate against the growth rate in nominal US GDP to verify the assumption that growth rates will taper off to the long run GDP growth rate.

CA-NP-130 Evidence of Ms. McShane Pages 63: If these utilities are comparable to a mature utility like NP please justify in full why a mature company is likely to grow at the average GDP growth rate. That is, where is the "room" for above average growth companies in GDP growth, if mature companies are growing at the GDP growth rate?

CA-NP-131 Evidence of Ms. McShane Appendix E: Ms. McShane's financing flexibility adjustment on page E-3 is explicitly based on targeting a market to book ratio of 1.05-1.1 so that the utility can issue stock at above book value. In her judgment is such an adjustment still needed if the market to book is say 2.0 such that there is no chance of selling stock below book value even before a financing flexibility adjustment. Please explain in full.

CA-NP-132 Evidence of Ms. McShane Appendix E: Please confirm that Ms. McShane normally recommends a financial flexibility adjustment of 0.50% and explain why she has now moved to 0.50-1.50%.

CA-NP-133 Evidence of Ms. McShane Appendix E: Please indicate any Canadian regulator that has accepted an issue cost/financial flexibility adjustment of 1.50%.

CA-NP-134 Evidence of Ms. McShane Appendix F: Please provide the underlying data used to construct Figure F-1 and provide the source documents.

CA-NP-135 Evidence of Ms. McShane Appendix F: Please estimate a regression model of the annual ROEs for the companies in Table F-1 against their annual market to book ratios.

CA-NP-136 Evidence of Ms. McShane Appendix F: From the regression model estimated in CA-NP-135 above please estimate the ROEs at market to book ratios of: 1.0; 1.50; 2.0 and 2.50.

CA-NP-137 Evidence of Dr. Vander Weide: Fair rate of return standard Pages 6-10: Dr. Vander Weide (A15) discusses why economists measure the cost of capital based on market values and states that "the historic book value is entirely irrelevant." Is this why he does not present comparable earnings evidence of the type developed by Ms. McShane?

CA-NP-138 Evidence of Dr. Vander Weide: Fair rate of return standard Pages 6-10: Given his significant experience as an expert witness in the US can Dr. Vander Weide indicate how often (% of time) has he seen comparable earnings presented in US rate cases, that is samples of accounting rates of return.

CA-NP-139 Evidence of Dr. Vander Weide: Fair rate of return standard Pages 6-10: Would Dr. Vander Weide accept that the passage on page 10 that refers to Mr. Justice Lamont's definition of a fair return specifically refers to a return on "securities" of equivalent risk and not the book value of a company?

CA-NP-140 Evidence of Dr. Vander Weide: Business risk Pages 10-14: Dr. Vander Weide refers to elements of business risk such as demand uncertainty, operating cost uncertainty, operating leverage etc and then discusses regulations. Is Dr. Vander Weide aware that almost all regulators in Canada provide their utilities with extensive use of deferral (balancing) accounts to pass on the impact of such risks to rate payers rather than shareholders?

CA-NP-141 Evidence of Dr. Vander Weide: Business risk Pages 10-14: Did NP provide Dr. Vander Weide with a list of the deferral accounts that the Board allows NP, if so please list them.

CA-NP-142 Evidence of Dr. Vander Weide: Business risk Pages 10-14: In assessing NP's business risk did Dr. Vander Weide ask for data on NP's ability to earn its allowed ROE over the last say ten years to determine whether the risks he cites were material?

CA-NP-143 Evidence of Dr. Vander Weide: Business risk Pages 10-14: Is Dr. Vander Weide aware that the variability of earned ROEs is much lower for Canadian than US utilities, if so please indicate where in his testimony he takes this into account.

CA-NP-144 Evidence of Dr. Vander Weide: Business risk Pages 10-14: Is Dr. Vander Weide aware that the rating agencies assess the degree of regulatory protection afforded utilities in Canada as being significantly higher than that afforded US utilities? If so please indicate where in his testimony he took this into account to reduce his risk assessment of NP.

CA-NP-145 Evidence of Dr. Vander Weide: Business risk Pages 10-14: When discussing the impact of financial leverage would Dr. Vander Weide confirm that financial leverage simply magnifies any operating income variability, but if there is none, due to the use of deferral accounts, then there is no additional risk due to financial leverage, since there is nothing to be magnified.

CA-NP-146 Evidence of Dr. Vander Weide: ROE formula Pages 14-17: Dr. Vander Weide refers to a two step process in establishing the allowed ROE under the Board's formula. Would Dr. Vander Weide accept that any ROE can always be broken out onto the risk free return and a risk premium simply by subtracting the risk free rate?

CA-NP-147 Evidence of Dr. Vander Weide: ROE formula Pages 14-17: Would Dr. Vander Weide accept that in setting NP's allowed ROE this Board, like most boards in Canada, received expert evidence based on a variety of models, ie., that recommendations were not based solely on the CAPM (his A44)?

CA-NP-148 Evidence of Dr. Vander Weide: ROE formula Pages 14-17: Would Dr. Vander Weide accept that the ROE adjustment formula once the ROE is set is based solely on the one piece of objective evidence as to a long run expected rate of return in the capital market, that is, the expected return on the long Canada bond?

CA-NP-149 Evidence of Dr. Vander Weide: ROE formula Pages 14-17: Can Dr. Vander Weide point out any other objective data point (ie, for example read from the newspaper) as to the expected rate of return on a long run security in the capital market.

CA-NP-150 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: In table 1 please provide the average return for the following over the same period: the long Canada bond; the TSX60 index; the TSX Composite index.

CA-NP-151 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Please expand Exhibits 1 & 2 to include the annual returns to the TSX60, TSX Composite and long Canada bond for each year.

CA-NP-152 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Would Dr. Vander Weide accept that bond prices increase when interest rates decline?

CA-NP-153 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Would

Dr. Vander Weide accept that utilities are classified as interest sensitive equities since they are dividend rich? If not, please provide the current dividend yield for his US and Canadian utility samples and for the TSX Composite and S&P500 indexes.

CA-NP-154 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Would Dr. Vander Weide accept that long term interest rates in Canada peaked in 1981 and since then have declined to the current 2.7% level causing significant unexpected capital gains for all interest sensitive investments?

CA-NP-155 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Would Dr. Vander Weide provide the long Canada bond yield at the start of 1956 and 1983, his two periods in Table 1 and accept that there is less "interest rate" effect in the 1956-2010 than 1983-2010? If not, please explain why not.

CA-NP-156 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Please provide all theoretical justification for taking a US risk premium and adding it to a Canadian long term interest rate forecast.

CA-NP-157 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Why would Dr. Vander Weide compare yields with returns rather than returns with returns?

CA-NP-158 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Please confirm that Dr. Vander Weide's utility index data in Exhibits 1 & 2 includes BCE and indirectly Nortel.

CA-NP-159 Evidence of Dr. Vander Weide: Experienced "risk premia" Pages 19-23: Please explain why Dr. Vander Weide has not used the TSE gas or electric sub-indexes prior to 2002 to avoid the Nortel effect.

CA-NP-160 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please confirm that in the allowed ROEs discussion on pages 23-26 Dr. Vander Weide has made no adjustments for differences in the cost of capital between the US and

Canada.

CA-NP-161 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please provide the long Canada and long US Treasury yields as of the end of December 2010 and December 2011. Is it his opinion that the US and Canadian governments face the same long term financing costs and that the fair rate of return is the same in both countries?

CA-NP-162 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please indicate the current S&P bond ratings for the Canadian and US governments.

CA-NP-163 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please confirm that banks in the US and Canada are similarly regulated in the same manner and use the same technology as per the discussion of utilities in A72.

CA-NP-164 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please indicate the number of US banks that failed since September 2008 and explain what TARP is and the amount of support provided to the major US banks to prevent them from failing in October 2008.

CA-NP-165 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please indicate how many Canadian banks failed during the financial crisis.

CA-NP-166 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please confirm that contrary to the statement in A73, both Moodys and S&P have pointed to the greater degree of regulatory protection of utilities in Canada as support for their higher median bond ratings.

CA-NP-167 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please provide the current bond ratings of all US gas and electric utilities rated by S&P.

CA-NP-168 Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please indicate what ring fencing (structural insulation) means and why S&P won't rate operating utilities higher than their holding company parent without ring fencing.

CA-NP-169 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please provide the quarterly dividend per share for each of the firms in Dr. Vander Weide's US and Canadian samples in Exhibit 7 and 9 since 2000.

CA-NP-170 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please provide the data in Exhibit 7 in machine readable usable Excel form so that the regression model can be replicated.

CA-NP-171 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: In Dr. Vander Weide's judgment does the data in CA-NP-169 above indicate that dividends are changed once a year or on a quarterly basis?

CA-NP-172 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please indicate the number of analyst growth forecasts used by Dr. Vander Weide in each of his growth forecasts.

CA-NP-173 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please confirm that these forecasts are for earnings and not dividends.

CA-NP-174 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please confirm that earnings are generally more volatile than dividends and consequently their expected arithmetic growth rate is always higher.

CA-NP-175 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please indicate where he has downwardly adjusted his earnings forecast to take into account the lower dividend growth rate.

CA-NP-176 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please confirm that Dr. Vander Weide believes that a 7.7% utility risk premium is what investment analysts use when estimating the cost of equity capital for his US sample and that they use numbers like these when doing a DCF analysis to value utility stocks.

CA-NP177 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please provide any research reports by US analysts indicating that (CA-NP-176 above) is what they actually use in practice.

CA-NP-178 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please repeat the regression analysis on page 28 for the two separate components of the DCF required return, that is the dividend yield and the growth yield.

CA-NP-179 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please indicate whether in Dr. Vander Weide's judgment his sample of US utilities represents utility holding companies or predominantly pure rate of return regulated utility operations.

CA-NP-180 Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: Please confirm that the March 2011 DCF utility risk premium from the US was 6.17% and not 5.87%.

CA-NP-181 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please confirm that the standard deviation falls as you add securities to a portfolio as long as returns are not perfectly correlated and that this is the central insight of modern portfolio theory.

CA-NP-182 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please confirm that the TSX Composite is more highly diversified than the utility index causing its standard deviation to be lower.

CA-NP-183 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please confirm that Dr. Vander Weide does not believe that Canadian utilities are as risky as the Canadian equity market.

CA-NP-184 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Pease indicate whether Dr. Vander Weide judges NP to be of equivalent risk to the utilities in the TSX sub index.

CA-NP-185 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please provide copies of lecture slides and accompany course outlines used by Dr.Vander weide where he teaches students at Duke that the standard deviation is an appropriate risk measure when evaluating the risk of individual securities or companies.

CA-NP-186 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Is Dr. Vander Weide aware of any other faculty in Duke's finance department that would similarly use standard deviations as an individual security risk measure?

CA-NP-187 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please confirm that in the NEB statement on page 38 that the Board indicates that "risk differences" between Canada and the US can be understood and accounted for. Please indicate where he has done this.

CA-NP-188 Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please indicate where he has adjusted for different capital market conditions in the US and Canada.

CA-NP-189 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please confirm that in the data in Table 4 the 1983-2011 period includes one of declining interest rates and when interest rates decline the value of interest sensitive investments increases?

CA-NP-190 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please provide the long Canada bond yield at the start of both periods in Table 4 in 1956 and 1983 respectively.

CA-NP-191 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please provide the returns on the long Canada bond for both the periods in Table 4 to compare like with like.

CA-NP-192 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please confirm that these are not ex post risk premiums in Table 4, since ex post investors

cannot simply consume the yield on the investment and ignore the capital gain or loss when looking at annual returns.

CA-NP-193 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please explain where the 7.67% risk premium comes from (line 32, page 41) when the last data point January 2012 is 7.07%.

CA-NP-194 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please indicate why Dr. Vander Weide uses a 0.50% allowance for financial flexibility, rather than the higher number used by Ms. McShane.

CA-NP-195 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please provide the evidentiary support for the 0.50% financial flexibility adjustment.

CA-NP-196 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please indicate any electric utilities in Canada of comparable size to NP that have greater common equity ratios?

CA-NP-197 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please indicate whether or not Dr. Vander Weide believes that market prices reflect expected future profitability.

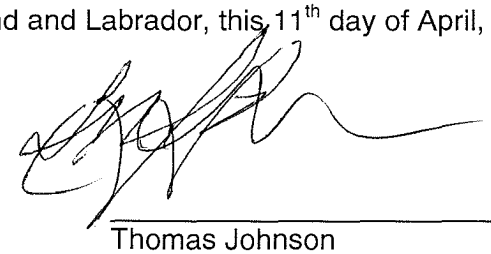
CA-NP-198 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Is Dr. Vander Weide aware that the Alberta EUB indicated that it would be derelict in the exercise of its statutory responsibilities to accept market value equity ratios and that for a utility the best estimate of its long run market value is its book value?

CA-NP-199 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please confirm that Dr. Vander Weide's DCF estimates for his US comparables runs from 7.8% to 15.4%. Would he regard this as a reasonable range for utilities that he regards as relatively homogeneous?

CA-NP-200 Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please confirm that he has made no adjustments to the analyst growth forecasts unlike MS.

McShane who uses a three stage model as well as the constant growth model.

Dated at St. John's in the Province of Newfoundland and Labrador, this 11th day of April, 2012.



Thomas Johnson
Consumer Advocate
323 Duckworth Street
St. John's, NL A1C 5X4
Telephone: (709)726-3524
Facsimile: (709)726-9600
Email: tjohnson@odeaearle.ca

clf:\oe\consumer advocate\12-j-026 rfi.rtf