

Re: p. B-37, lines 13-17

Dr. Vilbert states, “This in turn will result in a negative correlation between measured ATWACC and the debt ratio, not because more debt lowers the ATWACC, but because a lower ATWACC tends to lead to more use of debt. That is, the negative correlation may be real, but the causality the exact opposite of that hypothesized in the AEUB’s decision.” Please provide the section of the AEUB decision to which Dr. Vilbert is referring.

Response:

AEUB U99099 is available from the AEUB’s web page (www.eub.gov.ab.ca). The Board’s findings related to the above issue are on pages 299-309 (in Part 1).