

1 Q. NP-CA-026 Reference: *Fair Return and Capital Structure for Transénergie,*
2 Evidence of Laurence D. Booth and Michael K. Berkowitz before the Régie de
3 l'énergie du Québec, November 2000, Page 2, Lines 22-24

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5 *"In our judgment, capital structures should be long lived as they are primarily a*
6 *function of the business risk of the firm. In particular, it is not standard practice to*
7 *change equity ratios on an ongoing basis."*

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9 Does Dr. Booth still agree with the above statement regarding the *long-lived* nature
10 of capital structures?

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12 A. Please see Dr. Booth's answers to PUB-CA-016 and PUB-CA-017, but yes while
13 noting the word *primarily*.