

1 **Q. Reference: Dr. Booth Evidence, Page 86, Lines 8-9: Given Dr. Booth's**
2 **position that “*costs and revenues from utility operations are stable so the underlying***
3 ***uncertainty in operating income is very low,*” please explain the basis for Dr. Booth's**
4 **concern that analyst's earnings per share growth rates are upwardly biased and**
5 **overly optimistic for electric utilities.**

6

7 A. Costs and revenues may be stable for Canadian utilities, but US analysts are
8 forecasting earnings growth rates for US utility holding companies, not pure utilities.
9 Also regardless of the evidence the experience of US utility holding companies has been
10 of volatile earnings and a history of not earning their allowed ROE.