

1 **Q. Reference: Dr. Booth Evidence, Appendix D, Page 12, Lines 13-14: Please**  
2 **confirm that utilities have other sources of capital to fuel growth other than those**  
3 **reflected in the sustainable growth formula (i.e., the br growth rate) such as the**  
4 **issuance of new shares.**

5

6 **A.** This question is unclear. If it asks can utilities also use debt to finance their  
7 operations, then the answer is yes but they run up against debt capacity constraints. If it  
8 asks can they issue common shares, then the answer is yes and there is an additional term  
9 “vs” which is the proportion of new financing and the market to book ratio. For rate  
10 regulated utilities this term should be zero and regardless is very small.