

1
2 **Q. Reference: Page 3, Lines 33-34:**
3

4 **“My best estimate is that the market risk premium is 5.0%...”**
5

6 **Does Dr. Booth agree that the long-term Canada bond yield changes constantly with**
7 **market conditions.**
8

9
10 **A.** Yes, that is why Dr. Booth believes it is the one objective estimate of the fair ROE for a
11 utility. All the other parameters need to be estimated and are subject to debate. Consequently
12 he believes in the ROE adjustment mechanism.
13
14
15
16