

Q. Reference: Page 3, Lines 33-34:

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

For how long has Dr. Booth’s best estimate of the market risk premium been 5%?

A. As far as Dr. Booth is aware he used 4.5% as his market risk premium estimate in his October 2005 Terasen Gas Inc testimony and first used 5.0% in January 2007 in his Hydro One Testimony. However as indicated in answer to NP-CA-1 he does not keep track of these items, but it is clear that Dr. Booth increased his market risk premium to 5.0% in 2006.