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2 **Q. Reference: Page 3, Line 37:**
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4 **“Fairness has a variety of connotations...”**
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6 **Please list all of the connotations which Dr. Booth has in mind which are relevant to the**
7 **setting of the allowed ROE.**
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10 **A.** Dr. Booth has in mind that Canadian utilities of equivalent risk be allowed to earn
11 approximately equivalent ROEs, since they are operating under similar regulatory regimes
12 in the same Canadian capital market subject to the same capital market conditions. Dr. Booth
13 therefore believes that allowed ROEs from other Canadian jurisdictions is relevant
14 information, particularly since the evidence put forward in different reviews is different. He
15 is therefore inclined to view other Canadian allowed ROEs as a reasonableness check since
16 other Boards have found these ROEs to be fair and reasonable.
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