**Q. Reference: Page 88, Line 17 to Page 89, Line 1**

**"The critical point is that if the Board changes its ROE formula, it not change the interest rate assumption without also changing the associated risk premium."**

**Please describe more specifically what Dr. Booth had in mind when he made the above statement. Could he please provide an example of a change in the associated risk premium that would be required if the Board changed its interest rate assumption.**

A. Other boards use slightly different methods for mechanically adjusting the allowed ROE. The BCUC for example has had break points where the adjustment differed depending on whether the forecast LTC bond yield was above or below 6.0%. Other boards have used 75% adjustments or forecast rather than current LTC yields.