

1
2 **Q. Reference: Page 89, Lines 24-25**
3

4 **“This sort of data was previously included by Professor Berkowitz and myself in**
5 **estimates of risk premiums over preferred stock yields.”**
6

7 **Could Dr. Booth please confirm that in earlier proceedings he and Professor Berkowitz**
8 **conducted a risk premium over preferred stock yields test?**
9

10
11 **A.** Yes, but not for a very long time as getting current preferred bond yields has proven very
12 difficult. Dr. Booth can’t remember using the preferred share based risk premium model for
13 at least ten years, as the most reliable estimates were based on the regional telephone
14 companies which were local monopolies and almost pure plays.
15
16
17