

Request for Information

**Q. On Page 41 line 21 of his testimony, Dr. Booth states, "Overall I rely on my judgment and the tendency of betas to revert to their long run average and continue to use my normal beta range of 0.45 - 0.55 even though the recent statistical evidence is for lower betas." What empirical evidence does Dr. Booth have that the long run average beta for utilities is in the range of 0.45 - 0.55?**

**A.** The estimate beta coefficient for the old gas-electric sub index of the TSE300 from 1963-2002 was 0.54 graphed in Schedule 13. Dr. Booth would regard this as a slightly high estimate, since it reflects very high values back in the 1960's; an earlier period of less regulatory protection.