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5 **Q. What empirical evidence does Mr. Booth have that the current beta for utilities**  
6 **is in the range of 0.45 - 0.55?**

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9 A. In 2007 the average beta of the utility holding companies was 0.45, covering the  
10 “normal” period from 2003-2007. This then dropped to 0.26 in 2008 as the market  
11 collapsed whereas the UHCs did not as discussed on pages 42 on in Dr. Booth’s  
12 testimony. If the market collapses and share prices of utilities do not then their beta  
13 coefficients drop. The most recent value for the new TSX/S&P utility sub index is  
14 0.43 as indicated on Schedule 16.

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16 Since Dr. Booth would discount the possibility that the US government will repeat  
17 its Lehman Brothers mistake he judges the best estimate of the beta coefficient going  
18 forward for a typical utility to be greater than these latest estimates of 0.26 and 0.43  
19 and more like the 0.45 of 2007.  
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