

- 1   **Q.   Evidence of Ms. McShane Background Pages 4 – 6: In terms of the 7.85% ROE**  
2   **generated by the Board’s formula for 2012, please confirm that this implies a utility**  
3   **risk premium of 4.79% based on forecast long Canada bond yields.**  
4  
5   A.   Confirmed based on a forecast long-term Canada bond yield of 3.06%. Note that the  
6   4.79% utility risk premium so calculated includes a 0.50% allowance for financing  
7   flexibility.