

1 **Q. McShane Evidence - Would Ms. McShane please confirm that in the 2009 General**
2 **Cost of Capital hearing (Decision 2009 – 216) the Alberta Board found (p. 54) “that**
3 **the regulatory risk faced by these U.S. utilities in general remain materially higher**
4 **than the regulatory risk of Alberta utilities. As a consequence, the returns awarded**
5 **by regulators for U.S. LDCs would be expected to reflect this materially higher level**
6 **of risk leading the Commission to conclude that U.S. allowed return should not be**
7 **used in determining a fair return for Alberta utilities.”**

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9 A. Confirmed that the AUC made this statement.