

1 **Q. Reference: the fair return standard on page 6: Can Mr. MacDonald confirm that**
2 **the legal standard for a fair return in Canada as defined by Mr. Justice Lamont and**
3 **adopted by the Supreme Court of Canada is as follows:**
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5 "that the company will be allowed as large a return on the capital invested in
6 the enterprise as it would receive if it were investing the same amount in
7 other securities possessing an attractiveness, stability and certainty equal to
8 that of the company's enterprise."
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10 **A.** Mr. MacDonald confirms that Mr. Justice Lamont, of the Supreme Court of Canada,
11 defined a fair return as follows: "*By a fair return is meant that the company will be*
12 *allowed as large a return on the capital invested in its enterprise (which will be net to the*
13 *company) as it would receive if it were investing the same amount in other securities*
14 *possessing an attractiveness, stability and certainty equal to that of the company's*
15 *enterprise*" (*Northwestern Utilities Ltd. v. Edmonton (City)*, [1929] S.C.R. 186 at 193).