

1 **Q. Reference page 12: automatic ROE adjustment formula and the statement that**
2 **Newfoundland has the “highest” adjustment coefficient: Please confirm that when**
3 **the BCUC first introduced its AAM in 1994 it used a 100% adjustment to forecast**
4 **changes in long Canada yields.**

5
6 A. Mr. MacDonald confirms. Mr. MacDonald also notes that he has focused on the
7 adjustment formulas as they existed at the date of his expert report (OEB, Regie and
8 PUB) and as they existed immediately prior to being abandoned or suspended (BCUC,
9 AUC and NEB).