

1 **Q. Reference pages 29-30: ERP Estimates: Please provide the return on the long**
2 **Canada bond matching that of the yield in Table 15.**

3
4 A. Mr. MacDonald did not examine the return on the long Canada bond in his written
5 evidence. The ERP calculation in Table 15 is based on the observed risk premium
6 between the equity return and the yield on the long Canada bond. Only the yield on the
7 bond is risk free.