

1 **Q. Reference pages 38-41: AAM: Does Mr. MacDonald judge the opportunity cost of**
2 **investing in a public utility to be unrelated to the interest rate on the long**
3 **government bond? If so please indicate all research he has undertaken into**
4 **securities that are regarded as close substitutes to utility common shares.**

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6 **A.** Mr. MacDonald believes that the opportunity cost of investing in a public utility is related
7 to the interest rate on the long government bond.