

1   **Q.     Reference: page 52, lines 15-16**

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3           **“At the current point in time "A" spreads are at 180 bps or 80bps more than normal**  
4           **or average for the business cycle.”**

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6           **Please explain what A spreads Dr. Booth is referring to, specifically what index is**  
7           **being referenced, and what are the underlying A bond and Government of Canada**  
8           **bond yields?**

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10   **A.**     Dr. Booth uses the generic Scotia Capital (now Dex) Bond yields since these have a long  
11           time series. These are the spreads graphed on page 27 of Dr. Booth's testimony. As of  
12           December 5, 2012 the Scotia Index of long Government of Canada bonds yielded  
13           2.2354%, while the A bonds yielded 4.0007% for a spread of 177 basis points.

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