

1 **Q. Reference: page 70, lines 13 to 16**

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3 **“Apart from the Regie which adopted my recommended formula, the OEB adopted a**
4 **similar formula with a 50% adjustment to changes in the forecast long term Canada**
5 **yield instead of 75%. The OEB also tied the credit spread to the Bloomberg utility**
6 **yield and not the generic A spread.”**

7
8 **Please confirm that the OEB rebased its benchmark ROE at 9.75% at a long-term**
9 **Canada bond yield of 4.25% and a spread of 1.415%.**

10
11 **A.** Correct. At that time the OEB allowed ROE was the highest of any benchmark award in
12 Canada and mainly applied to government owned utilities. It should be compared to the
13 9.0% allowed the AUC, 9.5% the BCUC and the 8.90% the Regie at similar points in time.
14 Dr. Booth regards that award as at the very top of if not exceeding a range of fair and
15 reasonable ROEs even for the height of the financial crisis. It will be reviewed in 2014.