

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’s ROE formula would produce an ROE of 9.92% at an**
9 **equilibrium long-term Canada bond yield of 5.0% and a spread of 1.0%.**

10
11 **A.** Correct that is what the arithmetic says but the question confuses Dr. Booth’s approximate
12 average generic spread of 1.0% with the credit spread calculated by the OEB which is
13 different for the reasons given in answer to CA-NP-11 above.