

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 on page 36-37 of Decision EB-2009-0084, the OEB stated "In**
9 **particular, the Board is concerned that CAPM, as applied by Dr. Booth, does not**
10 **adequately capture the inverse relationship between the ERP and the long Canada**
11 **bond yield. As such, the Board does not accept the recommendation that it place**
12 **overwhelming weight on a CAPM estimate in the determination of the initial ERP."**

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14 **A.** Dr. Booth found that an interesting observation given that Dr. Booth did not provide ROE
15 testimony and no funding was provided to interveners to provide such testimony, whereas
16 in contrast the utilities provided full ROE testimony.