

1 **Q. Reference: Page 28, lines 536-537**

2
3 **“To our knowledge fair ROE in Canada has generally been determined with**
4 **reference to book values rather than market values.”**

5
6 **Please confirm that that what Mr. MacDonald means by this statement is that the**
7 **allowed ROE has been applied to the book value of the utility equity?**

8
9 **A. Mr. MacDonald confirms.**