

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 the cost of equity itself is generally determined with reference to**  
7 **market values, e.g., the DCF test relies on market values?**

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