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Q. Pg. 56 - Please explain what is meant by “benchmark utility”.

A. Benchmark utility is a reference utility that other utilities can be compared with. So for example, in BC the BCUC regards Terasen Gas/ FortisBC Energy as the benchmark utility so the other allowed ROEs are keyed off this utility. The AUC sets the base ROE for an average utility and then changes common equity ratios relative to that standard.