

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

2

3 A. Benchmark utility is a reference utility that other utilities can be compared with. So for

4 example, in BC the BCUC regards Terasen Gas/ FortisBC Energy as the benchmark utility

5 so the other allowed ROEs are keyed off this utility. The AUC sets the base ROE for an

6 average utility and then changes common equity ratios relative to that standard.