Q: At page 41 of his direct testimony, Dr. Cannon derives his market risk premium range of 3.65-3.85% and 4.0-4.85%, relative to Long-Term Canada's and Long-Term assets, respectively. For each range explain how Dr. Cannon arrived at this range and provide copies of all supporting work papers.

A: All "Input Source" references refer to Dr. Cannon's prefiled evidence.

I. For the 3.65% to 3.85% range:

Input Source	Input Value(s)	Weighting	Factor
page 39, line 7, rhs column	4.80%	40%	1.92
page 41, line 15	2.9% - 3.2%	60%	1.74 – 1.92
Total			3.66% - 3.84%

II. For the 4.0% to 4.85% range:

Input Source	Input Value(s)	Weighting	Factor
page 39, line 8, rhs column	5.65%	40%	2.26
page 41, line 17	2.9% - 4.2%	60%	1.74 – 2.52
Total			4.00% - 4.78%