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7 Q: Referring to page 41 of his direct testimony, please state how the market risk premium
8 ranges of 3.65-3.85% and 4.0-4.85% will change if Dr. Cannon had relied on arithmetic
9 estimates only.

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13 A: If Dr. Cannon had relied on arithmetic averages only for his historical Canadian
14 evidence, the MRP ranges would have been 3.84% to 4.02% and 4.18% to 4.96%,
15 respectively, as derived below.

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17 All "Input Source" references are to Dr. Cannon's prefiled evidence.

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19 **I. For the 3.65% to 3.85% range:**

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Input Source	Input Value(s)	Weighting	Factor
page 39, line 7	5.25%	40%	2.10
page 41, line 15	2.9% - 3.2%	60%	1.74 - 1.92
Total			3.84% - 4.02%

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25 **II. For the 4.0% to 4.85% range:**

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Input Source	Input Value(s)	Weighting	Factor
page 39, line 8	6.10%	40%	2.44
page 41, line 17	2.9% - 4.2%	60%	1.74 - 2.52
Total			4.18% - 4.96%