

- 1 **Q. At page 26 of Ms. McShane's testimony, she refers to a 2004 AEUB Generic Cost Of**
2 **Capital Decision at lines 685-686. Please identify the authorized return on equity**
3 **and the corresponding common equity ratio for the utilities considered in that**
4 **Generic Cost Of Capital Decision.**
5
- 6 A. The authorized return on equity for 2007 resulting from the application of the automatic
7 adjustment mechanism adopted in that decision is 8.51% at a forecast long-term Canada
8 bond yield of 4.22%.
9
- 10 The common equity ratios adopted were:
- 11
- | | |
|---|-------------------|
| 12 Electricity Transmission (ATCO Electric and AltaLink): | 33% (taxable) |
| 13 Electricity Transmission (EPCOR Transmission): | 35% (non-taxable) |
| 14 Nova Gas Transmission: | 35% |
| 15 Electricity Distribution (ATCO Electric, FortisAlberta): | 37% (taxable) |
| 16 Electricity Distribution (ENMAX and EPCOR Distribution): | 39% (non-taxable) |
| 17 ATCO Gas: | 38% |
| 18 AltaGas: | 41% |
| 19 ATCO Pipelines: | 43% |