

- 1 **Q.** Reference: *Fair Return and Capital Structure for Newfoundland Power (NP)*,  
2 Evidence of Laurence D. Booth, April 2024, page 37, lines 10-12.  
3  
4 *“The premier model that incorporates the risk return trade-off between Government of  
5 Canada default free securities and risky securities is the Capital Asset Pricing Model  
6 or CAPM. This is the model used by most boards in Canada, including this one in past  
7 decisions.”*  
8  
9 Please indicate whether the regulator relied exclusively on the CAPM in setting the  
10 authorized ROE in the decisions listed below:  
11  
12 a) Alberta Utilities Commission – October 2023 – Setting the Generic ROE – 2024  
13 and beyond.  
14  
15 b) BCUC – September 2023 – FortisBC Energy Inc. and FortisBC.  
16  
17 c) Nova Scotia Utilities and Review Board – February 2022 - Nova Scotia Power.  
18  
19 **A.** Dr. Booth was not a participant in either of the recent AUC or BCUC hearings, but as far  
20 as he is aware no regulator relies exclusively on one model, just as Dr. Booth himself  
21 does not rely exclusively on one model.