

**Q. In reference to the evidence of Dr. Roger Morin, Exhibit RAM-1, for each Canadian regulatory proceeding in which Dr. Morin made recommendations with regard to the cost of capital in the past five years, provide the rate of return on common equity recommended by Dr. Morin and the rate of return on common equity allowed by the board decision.**

**A.** Dr. Morin does not keep historical records of past rate of return (ROE) recommendations and decisions in his archives. Dr. Morin's resume, attached as Exhibit RAM-1 to his testimony, provides information on his past participation in regulatory proceedings. ROE awards are available from individual regulatory decisions as a matter of public record.

More importantly, Dr. Morin points out that, in recent years, most Canadian ROE awards result from the application of automatic ROE adjustment formulas similar to the NEB formula. Table 1 provides ROE information prior to the proliferation of automatic ROE adjustment formulas.

<b>Table 1</b> <b>ROE Recommendations vs.</b> <b>Awards of Canadian Utilities</b>			
<b>Utility</b>	<b>Recommended</b>	<b>Awarded</b>	<b>LTC Bond</b>
Stentor Companies (CRTC) 1997	12.75%	11.25%	7.25%
Newfoundland Power 1996	11.75%-12.25%	10.75%-11.25%	7.60%
Gaz Metropolitain 1995	13.00%	12.00%	(settled)
Gaz Metropolitain 1994	12.45%-13.00%	12.00%	8.32%
Centra Gas Manitoba 1993	12.60%	11.875%	8.25%
NEB TQM Pipeline 1994	12.75%	11.50%	8.75%
Maritime Tel CRTC 1993	11.50%-12.50%	11.25%-12.25%	7.40%

The only recent Canadian decision where Dr. Morin was involved as a rate of return/capital structure expert is Hydro-Quebec's Trans Energie 2001 case involving a provincial crown corporation. Dr. Morin recommended a return on equity of 10.6%; the return on equity awarded was 9.66%.

During 2002 Dr. Morin filed evidence on the required return on equity to be used by New Brunswick Power Corporation in establishing an Open Access Transmission Tariff. Dr. Morin has recommended a ROE range of 10.5% to 11% to be used in establishing rates. The hearing has not yet concluded.

Dr. Morin also points out that rate of return recommendations are frequently updated at the time of the hearings and may not match the recommended return in the filed written testimony.