

- Q. With respect to Schedule 33, please confirm that Decisions 2001-14 and 2001-4 of Atco Electric and Transalta respectively were settlements that specified neither the ROE nor the capital structure.
- A. **With respect to Schedule 33, Decisions 2001-14 and 2001-4 of ATCO Electric and TransAlta respectively were settlements that do specify ROE and Capital Structures, as listed in the Schedule. It should be noted that the numbers seen in the Schedule are not awarded by the Board. Instead the ROE and Capital Structure are decisions which were negotiated settlements with lump sums with no specific allocation of monies and no mention of ROE or capital structures as settled upon by the parties.**

**In order to decide whether or not the decisions stated above were reasonable, the Board looked at the evidence filed which had not been tested, and considered what it had heard in U99099 and then imputed an ROE/Capital Structure to the settlement as part of the process of determining whether or not the settlements were to be deemed reasonable. In U99099, the Board decided a capital structure for 35% equity was reasonable for a Transmission Facility Owner. ATCO Electric subsequent to deregulation was deemed to be free of retail risk, as such the appropriate capital structure is the 41% equity stated in Schedule 33.**