

- 1 **Q. Evidence of Ms. McShane, Historic returns, Page 74-77: With reference to**
2 **experienced returns on utilities, please indicate whether or not these returns would**
3 **be higher or lower if allowed ROEs were systematically set too high and too low?**
4
- 5 A. Either is a theoretical possibility. If either were true, the implication would be that
6 regulators in both Canada and the U.S. have consistently over-estimated or under-
7 estimated a fair and reasonable return on average over the entire period for which the
8 returns were estimated (1947/1956-2011).