

1 Q. Reference: Dr. Booth Evidence, Page 67, Lines 17-18 and Page 69, Lines 11-13

2
3 Dr. Booth states at page 67:

4
5 *“There is no question that markets have normalized and that NP should by now*
6 *be back on an AAM.”*

7
8 and at page 69;

9
10 *“These concerns should be clarified by the time there is a hearing for the test*
11 *years 2021 and beyond and I would recommend that the Board defer considering*
12 *a new AAM until the GRA for years 2021 and beyond.”*

13
14 Please reconcile Dr. Booth’s comments on pages 67 and 69.

15
16 A. No reconciliation is needed. Markets have normalized and NP should be on an
17 automatic ROE mechanism by now; the operative word being *should*. However, Dr.
18 Booth would still not base a fair ROE on a simple CAPM estimate using current
19 forecast LTC yields.