

RÉPONSE À L'ENGAGEMENT N° 4

Référence : E-4 (Dr Villadsen), Notes sténographiques du 16 juin 2022.

Demande : Find the parameters of scenarios 1 and 2 of the May 2022 CAPM model update (in reference to PowerPoint presentation, slide #37).
(Demandé par Me Louis Legault, Régie de l'énergie)

Réponse :

In reference to slide #37 of her PowerPoint presentation (B-0350), Dr. Villadsen clarifies that the Scenario 1 risk-free rate was adjusted by half of the increase in the spread between the A rated utility bond yield and the 30-year government bond yield to reflect the same approach as in her filed evidence.

Parameters for Scenarios in Risk Positioning Analyses

	Scenario 1	Scenario 2
Risk-Free Interest Rate	3.77%	3.40%
Market Risk Premium	5.91%	5.86%
Canadian Sample Avg. Beta	0.92	0.92
U.S. Gas Sample Avg. Beta	0.89	0.89
U.S. Water Sample Avg. Beta	0.86	0.86