

1 Q. Restate the numbers at lines 30-31 of page 26 and lines 1-4 of page 27 of
2 the Cost of Capital evidence using as inputs the numbers from each forecast
3 published by Consensus Economics between January 1, 2002 and June 30,
4 2003.

5
6 A. Please see schedule below.

		<u>10 Year Canadas</u>			<u>Spread Between</u> <u>10 & 30 Year</u> <u>Canadas</u>	<u>Forecast</u> <u>30-Year Canada</u>
		<u>3mos</u>	<u>12 mos</u>	<u>Average</u>	<u>Average</u> ^{1/}	
11	Jan-02	5.3	5.8	5.6	0.29	5.84
12	Feb-02	5.4	5.8	5.6	0.34	5.94
13	Mar-02	5.6	5.9	5.8	0.24	5.99
14	Apr-02	5.9	6.1	6.0	0.26	6.26
15	May-02	5.8	6.1	6.0	0.28	6.23
16	Jun-02	5.7	6.1	5.9	0.33	6.23
17	Jul-02	5.6	6.1	5.9	0.46	6.31
18	Aug-02	5.3	6.0	5.7	0.49	6.14
19	Sep-02	5.2	5.7	5.5	0.51	5.96
20	Oct-02	5.1	5.6	5.4	0.48	5.83
21	Nov-02	5.3	5.7	5.5	0.47	5.97
22	Dec-02	5.2	5.7	5.5	0.49	5.94
23	Jan-03	5.2	5.7	5.5	0.51	5.96
24	Feb-03	5.3	5.9	5.6	0.48	6.08
25	Mar-03	5.2	5.7	5.5	0.49	5.94
26	Apr-03	5.4	5.9	5.7	0.48	6.13
27	May-03	5.2	5.7	5.5	0.56	6.01
28	Jun-03	4.7	5.1	4.9	0.67	5.57
					Average	6.02
					Median	5.98

1/ Based on daily average in indicated month.

Source: Consensus Forecasts: January 2002 to June 2003; Bank of Canada