Re: Page 54, line 29

Q. On what basis is it assumed that an accumulating RSP balance which exceeds a one year horizon (likely multiple year horizon for the hydraulic component as suggested), is financed with short term funding that normally reflects an average maturity time frame of approximately 3 months?

A. RSP-type balances under regulated rate systems in Canada and elsewhere appear to generally be based on attracting short-term interest, not long-term interest or equity returns. That is the basis for Mr. Osler and Mr. Bowman's recommendation. In many cases these other funds operate for many years or decades under this mechanics.

It would not seem to be normal practice to use short-term borrowings only for those items that a Corporation expects to have fully paid off in approximately three months – for example, financing of accounts receivable may merit short-term financing, even though a balance sheet will almost perpetually have a certain level of accounts receivable outstanding.