

1    Q.    Please provide all available information concerning the earned rates of return  
2           on rate base and on equity capital achieved by other government-owned or  
3           cooperatively owned electric generation and/or transmission utilities in North  
4           America.

5  
6  
7    A.    The available 2001 and 2002 earned returns on equity as well as the most  
8           recent allowed return on equity for Canadian government-owned electric  
9           utilities follow. Foster Associates has not compiled information on the  
10          earned and allowed returns on rate base for any utilities, Canadian or U.S.

|  | Earned Return<br>On Equity |                   | Allowed Return<br>On Equity                | Decision         |
|--|----------------------------|-------------------|--|------------------|
|  | (2001)                     | (2002)            | (%)  | Date             |
| <u>Provincially Owned and Guaranteed</u>     |                            |                   |  |                  |
| BC Hydro                                     | 15.2%                      | 15.5%             | 15.5% <sup>1/</sup>                        | 11/02            |
| Hydro-Quebec                                 | 7.6                        | 11.0              | 9.40 (Distribution)<br>9.66 (Transmission) | 5/2003<br>6/2002 |
| Manitoba Hydro <sup>2/</sup>                 | 16.4                       | na                |  | -                |
| NB Power                                     | nmi <sup>3/</sup>          | nmi <sup>3/</sup> | 9.5 (Transmission)                         | 3/2003           |
| Northwest Territories Power                  | 8.2                        | 9.7               | 9.5  | 2/2002           |
| Saskatchewan Power <sup>2/</sup>             | 2.6                        | 10.9              |  |                  |
| Yukon Energy                                 | 7.9                        | 8.8               | 9.128                                      | 1998             |
| <u>Government Owned - Not<br/>Guaranteed</u> |                            |                   |  |                  |
| Enmax  | 28.4                       | 16.5              | Filing first ROE case                      |                  |
| EPCOR Utilities                              | 18.7                       | 14.2              | 9.25 (transmission)                        | 11/99            |
| Hydro One                                    | 10.4                       | 11.3              | 9.88 (T&D)                                 | 3/2000           |
| Ontario MEUs                                 |                            |                   |  |                  |
| Hydro Ottawa                                 | 1.8                        | -7.4              | 9.88                                       | 3/2000           |
| Toronto Hydro                                | 1.8                        | 6.9               | 9.88                                       | 3/2000           |

<sup>1/</sup> Based on allowed return for BC Gas of 9.42%, grossed up by BC Gas' effective tax rate.

<sup>2/</sup> Not rate base/rate of return regulated.

<sup>3/</sup> No meaningful figures. NB Power has a negative equity position.

Source: For earned ROEs, Annual Reports; for allowed ROEs, various Board decisions.

- 1 Income statement and balance sheet information for 2001 for the over 500
- 2 publicly-owned (and largely not-for-profit) electric utilities in the United States
- 3 is available on the U.S. Department of Energy's Energy Information Agency
- 4 website. Return on proprietary capital information, calculated from this data,
- 5 is provided in the table below. These data should be interpreted with
- 6 caution, as the public U.S. companies are not-for-profit.

|    | <u><b>Largest 10 U.S. Public Power<br/>Utilities (Net Plant)</b></u> | <u><b>Electric Plant<br/>(\$ millions)</b></u> | <u><b>2001<br/>Return on<br/>Equity</b></u> |
|----|--|--|---|
| 1  |  |  |   |
| 2  |  |  |   |
| 3  |  |  |   |
| 4  |  |  |   |
| 5  | Tennessee Valley Authority   | 25,327   | 15.2%                                       |
| 6  |  |  | negative                                    |
| 7  | Long Island Power Authority  | 5,824  | equity                                      |
| 8  | Los Angeles Dept of Water &  |  |   |
| 9  | Power  | 4,359  | 9.5%  |
| 10 | City Pub Svs San Antonio   | 3,815  | 11.9%                                       |
| 11 | Salt River Proj Ag I & P District                                    | 3,608  | 17.4%                                       |
| 12 | Western Area Power   |  |   |
| 13 | Administration   | 3,372  | -2.2%                                       |
| 14 | Bonneville Power Admin   | 3,280  | -9.3%                                       |
| 15 | JEA-Jacksonville Electric  |  |   |
| 16 | Authority  | 2,853  | 0.9%  |
| 17 | Power Authority of State of NY                                       | 2,807  | 1.1%  |
| 18 | South Carolina Pub Service   |  |   |
| 19 | Authority  | 2,478  | 6.7%  |
| 20 |  |  |   |
| 21 | <b>Largest 10 Companies:</b>   |  |   |
| 22 | <b>Average</b>   |  | 5.7%  |
| 23 | <b>Median</b>  |  | 6.7%  |
| 24 |  |  |   |
| 25 | <b>All Companies Reporting Positive Plant (516):</b>                 |  |   |
|    | <b>Composite</b>   |  | 6.1%  |