

1 **Q. Evidence of Dr. Vander Weide: US versus Canadian utility risk Pages 30-39: Please**
2 **confirm that the TSX Composite is more highly diversified than the utility index**
3 **causing its standard deviation to be lower.**
4

5 A. Cannot confirm. Although the S&P/TSX Composite Index contains significantly more
6 stocks than the S&P/TSX Utilities Index, the data in Table 2, page 31, indicate that the
7 standard deviation of the S&P/TSX Composite is higher than the standard deviation of
8 the BMO CM Utilities Stock Data Set over the period 1983 – 2011 and is higher than the
9 standard deviation of the S&P/TSX Utilities Index over the period 1956 – 2011.