

**Q. Vander Weide Evidence (page 22) Dr. Vander Weide states, “Canadian Utilities generally have greater financial risk than U.S. Utilities, because as shown below they rely more heavily on debt financing than U.S. Utilities.” Despite the fact that U.S. Utilities generally have greater financial risk than Canadian Utilities, what is the average bond rating for a U.S. Utility; and what is the average bond rating for a Canadian Utility?**

**A.** As shown in Dr. Vander Weide’s Exhibit 5, the companies in his larger comparable group have an average Standard & Poor’s bond rating of BBB+; the companies in his smaller comparable group have an average bond rating in the range BBB+ to A-. Standard & Poor’s bond ratings for the BMO CM utilities are shown in the following table:

BMO Companies	S&P Bond Rating
Canadian Utilities Ltd.	A
Emera Inc.	BBB+
Enbridge Inc.	A-
Fortis Inc.	A-
TransCanada Corp.	A-

Standard & Poor’s bond ratings for other Canadian utilities are shown below:

Company	S&P Bond Rating
AltaLink L.P.	A-
AltaGas Ltd.	BBB
ENMAX Corp	BBB+
ENTEGRUS Inc.	A
EPCOR Utilities Inc.	BBB+
Maritime Electric Co. Ltd.	BBB+
Nova Scotia Power	BBB+
Union Gas	BBB+