

Q. McShane Evidence - Relative Risk Adjustment, pages 72-80

- a. Please indicate the institutional ownership of Fortis and generally the share of NYSE and TSX stocks owned by ordinary retail investors versus institutions.**
- b. Please indicate the share of trading by retail versus institutional investors in Fortis and stocks on the TSX and NYSE respectively.**
- c. Please indicate whether Ms. McShane agrees that institutional investors generally hold large diversified portfolios and that beta measures the risk of adding a stock to a large diversified portfolio.**
- d. Please indicate whether Ms. McShane is aware of any academic research that indicates that own price or idiosyncratic risk is priced in either the Canadian or US stock markets.**
- e. Please indicate if Ms. McShane is aware of any expert witnesses that use observed beta estimates without adjustment to ensure that they are good forecast beta estimates, whereas the academic tests used actual beta estimates.**
- f. Please confirm that the basis of risk management is the use of negative beta securities to hedge a security in question and that the derivative business is based on this.**
- g. Please confirm that in practise it is extremely rare to find a negative beta equity security, but if one were to exist then it would be valuable in hedging the risk of an equity portfolio and reducing risk.**
- h. Please confirm that we are estimating the cost of equity capital or the fair return for an investor in utilities and that indirectly all companies are owned by actual investors and that this is what matters, not the indirect owner such as another utility.**
- i. Please provide any citations to any academic literature that supports the use of relative standard deviations of portfolios of securities as a risk measure when risk (standard deviation) always declines when you randomly increase the size of a portfolio.**
- j. Please provide in machine readable form (Excel) the data used to generate the betas in Table 15.**

- A. a.** Ms. McShane does not have all the requested data, as the data are not readily accessible on an aggregate basis for Canada. As the legal disclosure requirements of shareholders in Canada are not as stringent as in the United States, the identified holdings of shares may differ substantially by data source. The Reuters data base shows that the proportion of Fortis Inc. stock held by institutions is approximately 20%. From the same Reuters data base, for the other four Canadian utilities in Ms. McShane's Canadian sample, the approximate percentage of shares held by institutions is: Canadian Utilities, 12% (in addition to the 53% of the shares owned by ATCO Ltd.), Emera, 20%, Enbridge, 70% and TransCanada, 60%. According to the service which Fortis Inc. uses to track shareholders, the most recent reported data indicated that institutions held 47% of

- 1 Fortis Inc.'s shares. In the U.S., the institutional holdings as a percentage of
2 outstanding stock as of January 2012 based on industry level data of the
3 companies covered by *Value Line* was approximately 45%.
- 4
- 5 b. Ms. McShane does not have the requested data.
- 6
- 7 c. Ms. McShane would agree that institutional investors (e.g. pension funds)
8 generally hold large diversified portfolios. In the context of the CAPM, the beta
9 of the stock weighted by the proportion of the portfolio represented by the stock is
10 a measure of the risk of adding the stock to a large diversified portfolio.
- 11
- 12 d. A recent article entitled *Idiosyncratic Risk and the Pricing of Poorly-Diversified*
13 *Portfolios* (Chris Brooks and Xiafei Li, EDHEC-Risk Institute, May 2011)
14 summarized the state of the research on whether idiosyncratic risk is priced in the
15 market as: "However, there is still no consensus in the literature regarding
16 whether idiosyncratic risk is priced in the stock market." Further, "Altogether,
17 the lack of agreement in existing research merely serves to illustrate the fragility
18 of current conclusions on idiosyncratic risk and its role in explaining the cross-
19 sectional variation in returns."
- 20
- 21 e. Ms. McShane assumes that by observed betas, the question is referring to "raw"
22 betas, i.e., the statistical output from a linear regression. No, Ms. McShane is not
23 aware of any expert witnesses who simply use "raw" betas without concluding
24 that they are good estimators of future betas and/or good predictors of expected
25 returns. To her knowledge, academic studies use "raw" betas.
- 26
- 27 f. Confirmed.
- 28
- 29 g. It is not unusual for there to be negative betas, but it is fairly unusual for betas to
30 be persistently negative. The AMEX Gold BUGS Index (also referred to as the
31 HUI Index), which includes the largest and most widely held gold production
32 companies, has shown negative betas vs. the S&P 500 over extended periods of
33 time. In the context of the CAPM, an equity security with a persistently negative
34 beta would be considered valuable for reducing risk in a portfolio.
- 35
- 36 h. Confirmed that the fair return is not dependent on the happenstance of ownership.
37 The fair return reflects the opportunity cost of the capital invested, i.e., the return
38 that could be earned if the investor had committed funds to an alternative
39 investment of comparable risk. Ultimately, that risk relates, not to how the
40 investment's price fluctuates when the market moves up and down, but whether
41 the investment will generate comparable returns and the invested capital will be
42 recovered.
- 43
- 44 i. Ms. McShane is not aware of any academic literature in a peer-reviewed journal
45 that supports looking at relative standard deviations as a risk measure. Standard

1 deviations are a widely accepted measure of stand-alone risk. The relative
2 standard deviation model is one of the models described in Ibbotson, 2012
3 *Valuation Yearbook*, for estimating the international cost of capital. Relative
4 standard deviations are also used in the Goldman modified beta approach for the
5 same purpose. Please note that Ms. McShane does not use the standard deviation
6 of one company relative to the market, but rather the standard deviation of a
7 portfolio (the utility sector) relative to the average and median standard deviations
8 of the individual market sectors that make up the market portfolio. This approach
9 mitigates the issue the declining standard deviation as one adds securities to a
10 portfolio.

- 11
12 j. The data used to generate the betas in Table 15 are provided in “CA-NP-375 j
13 Attachment 1.xls”. Weekly betas were generated using 260 weeks of data.
14 Monthly betas were generated using 60 months of data.

Data used to generate the betas in Table 15

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2004/01/09	29.50	18.26	13.41	14.60	26.92	8352.19
2004/01/16	29.70	18.60	13.50	15.25	26.94	8522.26
2004/01/23	29.65	18.66	13.11	15.44	27.77	8604.73
2004/01/30	29.74	18.19	12.75	15.61	27.05	8521.39
2004/02/06	30.13	18.34	12.74	15.46	27.21	8638.61
2004/02/13	29.88	18.38	12.67	15.38	26.86	8694.46
2004/02/20	29.38	18.63	12.72	15.50	26.60	8641.93
2004/02/27	29.70	18.79	12.97	15.23	27.71	8788.49
2004/03/05	29.88	19.16	13.25	15.38	28.07	8845.04
2004/03/12	29.94	19.43	13.22	15.56	28.98	8592.04
2004/03/19	32.00	19.80	13.68	15.55	29.44	8583.81
2004/03/26	31.18	19.30	13.58	15.80	28.96	8509.56
2004/04/02	31.20	19.60	13.31	16.05	28.70	8798.75
2004/04/08	30.75	19.20	13.38	16.01	28.85	8833.48
2004/04/16	29.25	18.50	12.56	15.75	27.38	8695.35
2004/04/23	29.20	18.33	12.65	15.70	27.65	8667.87
2004/04/30	29.25	19.30	12.54	16.00	27.15	8243.97
2004/05/07	28.18	17.80	13.09	15.19	27.60	8274.79
2004/05/14	27.75	17.10	12.92	15.06	27.54	8188.08
2004/05/21	26.68	17.09	12.56	14.75	27.40	8210.48
2004/05/28	26.68	17.37	12.40	14.93	27.25	8347.08
2004/06/04	27.00	16.85	12.33	14.75	26.81	8348.74
2004/06/11	25.90	16.50	12.20	14.74	26.10	8366.63
2004/06/18	26.63	17.50	12.50	15.34	26.66	8468.01
2004/06/25	26.46	16.96	12.30	14.75	26.41	8497.77
2004/07/02	26.50	17.07	12.31	14.48	26.02	8487.31
2004/07/09	26.50	17.13	12.38	14.49	26.24	8473.18
2004/07/16	26.49	17.00	11.81	14.58	25.55	8350.46
2004/07/23	26.29	17.25	12.37	14.64	26.55	8383.31
2004/07/30	26.66	17.57	12.53	14.88	26.65	8458.07
2004/08/06	26.63	17.78	12.48	14.97	26.56	8176.68
2004/08/13	26.90	17.97	13.01	15.17	27.40	8172.63
2004/08/20	27.01	17.94	12.80	14.98	27.21	8335.62
2004/08/27	27.45	17.97	12.74	14.88	26.95	8334.29
2004/09/03	28.37	18.37	13.00	15.08	27.55	8344.42
2004/09/10	28.01	18.12	13.07	15.08	27.90	8368.62
2004/09/17	27.00	17.95	13.23	15.13	27.95	8529.89
2004/09/24	27.13	17.90	13.08	14.99	28.25	8588.40
2004/10/01	27.63	18.05	13.25	15.50	27.97	8747.09
2004/10/08	28.95	18.28	12.88	15.78	27.96	8814.89
2004/10/15	28.96	18.25	13.03	15.90	27.85	8788.93
2004/10/22	29.25	18.43	12.88	15.63	27.35	8780.80
2004/10/29	29.84	18.17	13.22	16.06	27.63	8870.97
2004/11/05	29.35	18.38	12.92	16.59	27.27	8868.74
2004/11/12	29.12	18.27	13.13	16.53	27.88	8896.37
2004/11/19	29.80	18.12	13.86	16.78	28.78	8959.40
2004/11/26	29.46	18.40	14.00	16.77	29.00	9057.97
2004/12/03	30.68	18.60	14.25	16.33	28.70	9055.66
2004/12/10	29.40	18.53	14.04	16.89	28.76	8965.27
2004/12/17	31.00	19.19	14.66	17.43	30.31	9122.62
2004/12/24	30.33	19.42	14.93	17.60	30.03	9287.40
2004/12/31	30.16	19.17	14.93	17.38	29.80	9246.65
2005/01/07	30.07	19.93	14.75	17.25	30.25	9006.22

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2005/01/14	30.00	19.58	14.69	17.09	30.00	9057.16
2005/01/21	30.03	19.70	14.99	18.24	30.12	9086.83
2005/01/28	30.00	19.68	15.64	18.55	29.81	9141.78
2005/02/04	30.13	19.26	15.99	18.55	29.96	9358.28
2005/02/11	30.59	19.21	15.80	18.63	30.08	9558.50
2005/02/18	31.02	18.66	15.91	18.38	30.69	9658.75
2005/02/25	30.50	19.01	15.58	18.32	29.95	9741.37
2005/03/04	31.25	19.10	16.00	18.25	30.61	9927.20
2005/03/11	31.20	18.75	15.54	18.14	29.75	9691.44
2005/03/18	31.96	18.72	15.73	18.32	29.59	9754.69
2005/03/24	31.00	18.51	15.13	17.90	29.46	9533.10
2005/04/01	30.75	17.68	15.43	18.13	29.55	9638.63
2005/04/08	31.00	17.96	15.92	18.13	29.95	9623.72
2005/04/15	31.25	17.92	15.86	17.83	29.82	9277.12
2005/04/22	31.50	17.95	15.67	17.67	29.70	9367.49
2005/04/28	30.45	17.81	15.67	17.93	29.80	9275.10
2005/05/06	30.79	18.08	16.16	18.06	29.99	9522.74
2005/05/13	30.50	18.05	16.23	18.25	30.12	9278.45
2005/05/20	31.00	18.45	16.85	18.50	30.99	9452.19
2005/05/27	32.25	18.64	17.05	18.80	30.75	9619.36
2005/06/03	32.00	18.28	16.87	18.67	30.53	9671.17
2005/06/10	32.12	18.44	16.76	18.62	31.20	9790.09
2005/06/17	34.55	18.66	17.06	19.26	31.80	9947.57
2005/06/24	34.82	18.56	17.05	19.99	32.59	9996.17
2005/06/30	34.99	18.80	17.48	19.43	32.24	9902.77
2005/07/08	35.23	18.38	17.91	19.85	33.33	10177.86
2005/07/15	35.38	18.44	17.60	19.97	32.97	10148.95
2005/07/22	35.25	18.32	17.34	19.73	32.89	10374.79
2005/07/29	35.50	18.00	17.65	20.60	33.59	10422.93
2005/08/05	36.50	17.92	17.90	20.85	33.22	10550.51
2005/08/12	35.89	18.04	17.58	20.80	32.73	10683.10
2005/08/19	35.53	18.17	17.14	20.72	32.00	10502.11
2005/08/26	36.39	18.65	16.96	20.83	32.25	10484.07
2005/09/02	37.46	18.90	17.97	21.17	33.14	10771.88
2005/09/09	38.50	18.49	18.02	22.13	33.46	10898.20
2005/09/16	39.00	19.00	18.63	22.64	35.36	10990.59
2005/09/23	39.80	19.85	19.00	22.54	36.17	10904.31
2005/09/30	39.51	19.60	18.63	24.11	35.50	11011.83
2005/10/07	40.06	19.36	17.58	23.27	35.68	10612.15
2005/10/11	39.76	19.45	17.65	24.06	35.34	10620.50
2005/10/21	39.00	19.75	17.25	23.80	35.21	10290.87
2005/10/28	39.35	19.59	17.60	22.50	34.95	10312.30
2005/11/04	41.45	19.27	18.44	23.25	36.50	10678.65
2005/11/11	40.99	19.35	18.02	23.19	35.50	10669.40
2005/11/18	43.15	19.59	17.98	24.87	35.65	10722.10
2005/11/25	44.16	20.05	18.86	24.90	36.80	11002.57
2005/12/02	44.40	19.55	18.00	25.00	36.55	11005.24
2005/12/09	45.20	20.37	17.75	24.55	36.61	11132.01
2005/12/16	41.00	20.14	18.28	23.79	37.56	11136.58
2005/12/22	43.79	20.77	18.28	24.60	36.79	11255.39
2005/12/30	43.98	21.04	18.17	24.27	36.65	11272.26
2006/01/06	43.20	20.49	17.95	23.86	36.42	11620.46
2006/01/13	41.50	20.53	17.89	23.62	35.74	11604.82

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2006/01/20	42.58	20.26	17.56	23.68	35.04	11605.67
2006/01/25	41.79	20.07	18.33	23.65	35.72	11675.16
2006/02/03	39.99	20.05	18.10	23.29	35.11	11937.62
2006/02/10	39.65	19.97	18.07	22.50	34.92	11651.69
2006/02/17	39.85	20.15	17.92	22.69	34.96	11758.04
2006/02/24	40.30	19.93	18.07	22.80	35.05	11810.55
2006/03/03	40.20	19.60	17.60	22.50	34.42	11978.68
2006/03/09	39.75	19.82	17.48	22.44	34.26	11765.33
2006/03/17	37.45	19.55	17.58	22.06	35.04	12000.73
2006/03/21	38.40	19.38	17.22	22.32	34.83	11947.61
2006/03/31	38.46	19.10	16.80	22.43	33.67	12110.61
2006/04/07	39.20	19.41	16.50	22.18	33.62	12241.21
2006/04/13	37.90	19.40	16.70	20.98	33.80	12248.59
2006/04/21	37.75	19.23	16.65	21.94	34.05	12437.22
2006/04/28	37.65	19.20	16.58	21.79	33.02	12204.17
2006/05/05	37.60	18.85	16.65	21.84	32.82	12270.11
2006/05/12	38.73	18.61	16.26	21.50	32.33	12038.07
2006/05/19	40.01	18.70	16.28	23.17	32.47	11545.77
2006/05/26	39.85	18.74	16.39	22.88	32.61	11762.75
2006/06/02	40.75	19.09	17.42	24.31	34.50	11898.69
2006/06/09	38.70	19.12	16.90	23.36	32.74	11390.70
2006/06/16	36.20	18.39	16.89	22.80	32.13	11207.95
2006/06/23	36.16	18.36	16.67	22.07	31.96	11249.02
2006/06/30	36.90	18.84	16.99	22.29	31.85	11612.87
2006/07/07	37.60	19.17	17.57	23.40	32.50	11631.91
2006/07/14	37.80	19.07	17.62	22.73	32.38	11630.01
2006/07/21	37.85	18.99	17.50	22.48	33.96	11418.33
2006/07/28	40.25	19.49	18.14	22.70	34.71	11823.68
2006/08/04	41.15	19.83	18.26	22.65	34.86	11936.68
2006/08/11	40.60	19.90	17.97	23.13	35.05	11944.90
2006/08/18	39.35	19.59	17.74	23.67	34.91	12044.83
2006/08/25	40.22	19.98	18.05	23.94	34.94	12119.83
2006/09/01	40.30	20.14	18.27	24.80	35.77	12145.10
2006/09/08	41.40	20.23	17.56	24.65	34.98	11869.59
2006/09/15	42.01	20.10	18.09	24.66	35.97	11656.04
2006/09/22	43.29	20.55	17.77	24.60	35.43	11581.61
2006/09/29	41.02	20.14	18.04	24.44	35.15	11761.27
2006/10/06	40.55	20.61	17.73	24.33	34.76	11690.89
2006/10/13	41.00	20.91	17.64	24.85	34.41	11908.57
2006/10/20	41.90	21.20	18.00	24.44	34.96	12035.57
2006/10/27	41.86	21.56	18.36	24.55	35.32	12268.86
2006/11/03	41.96	21.60	19.28	26.34	37.41	12239.04
2006/11/10	42.25	21.77	19.29	26.88	37.95	12340.47
2006/11/17	43.49	22.22	19.58	28.17	38.45	12372.87
2006/11/24	43.95	22.10	19.91	28.20	38.69	12631.08
2006/12/01	45.05	22.57	19.90	28.35	38.95	12754.75
2006/12/08	46.94	22.70	20.54	28.40	40.26	12899.58
2006/12/15	46.72	22.74	19.94	28.79	39.76	12866.27
2006/12/22	48.25	22.60	19.73	29.85	40.08	12718.17
2006/12/29	47.73	22.60	20.14	29.77	40.61	12908.39
2007/01/05	44.06	22.18	19.84	27.95	39.19	12477.97
2007/01/12	42.95	22.75	19.66	28.08	39.11	12678.81
2007/01/19	42.75	22.25	19.15	27.35	39.35	12718.99

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2007/01/26	43.38	22.29	19.34	26.97	39.06	12979.26
2007/02/02	44.00	21.09	19.00	27.13	38.98	13111.57
2007/02/09	44.35	21.38	19.08	27.10	38.00	13083.95
2007/02/16	43.80	21.54	19.04	27.70	38.01	13311.95
2007/02/23	43.15	21.13	18.92	27.35	38.18	13343.53
2007/03/02	43.03	20.19	18.60	26.30	37.53	12863.27
2007/03/09	43.69	20.52	18.91	27.39	38.60	13057.37
2007/03/16	43.22	20.40	19.10	27.15	38.91	12829.68
2007/03/23	44.50	20.61	19.47	28.29	38.90	13237.66
2007/03/30	42.57	20.67	18.83	28.01	38.35	13165.50
2007/04/05	42.86	20.50	18.68	28.90	38.41	13425.02
2007/04/13	44.05	20.70	18.50	28.06	38.03	13578.62
2007/04/20	45.44	21.46	18.75	27.86	39.28	13664.71
2007/04/27	45.17	21.85	18.50	28.11	39.64	13632.01
2007/05/04	47.03	21.79	18.82	28.02	39.81	13769.89
2007/05/11	46.85	21.66	18.82	27.67	39.77	14003.82
2007/05/18	48.00	21.49	18.56	28.20	39.91	14105.34
2007/05/25	47.00	21.26	18.68	29.00	39.22	14024.07
2007/06/01	49.41	21.67	19.03	28.11	39.35	14119.37
2007/06/08	47.48	20.70	18.17	26.70	37.17	13798.50
2007/06/15	47.75	20.30	18.29	26.96	37.41	14137.41
2007/06/22	47.34	20.03	17.90	26.36	36.67	13986.03
2007/06/29	46.30	19.90	17.95	26.00	36.64	13906.57
2007/07/06	46.12	20.10	18.20	26.38	36.93	14118.70
2007/07/13	47.20	20.50	18.63	26.34	37.47	14496.50
2007/07/20	48.72	21.11	19.10	27.10	39.61	14582.87
2007/07/27	46.01	20.79	18.20	26.59	37.48	13748.53
2007/08/03	47.33	20.56	18.00	26.05	37.25	13565.24
2007/08/10	44.21	19.95	18.85	26.00	36.87	13466.28
2007/08/17	44.75	19.20	17.36	24.80	35.90	13049.58
2007/08/24	47.45	19.60	17.57	25.11	36.60	13520.33
2007/08/31	48.65	19.82	17.80	26.55	36.80	13660.48
2007/09/07	47.60	19.55	17.77	26.28	36.20	13651.21
2007/09/14	47.02	19.73	18.05	27.14	36.75	13846.41
2007/09/21	48.98	20.21	18.16	27.00	36.00	13940.07
2007/09/28	48.65	20.15	18.22	27.05	36.47	14098.89
2007/10/05	48.70	19.99	18.79	27.10	38.40	14233.34
2007/10/12	48.01	19.82	18.95	27.44	38.21	14295.86
2007/10/19	48.50	19.51	18.50	27.00	37.17	14001.66
2007/10/26	49.95	19.95	19.61	26.69	38.24	14296.43
2007/11/02	53.66	19.86	20.21	27.19	40.06	14363.88
2007/11/09	52.95	20.60	19.45	27.50	40.24	13869.82
2007/11/16	50.08	20.99	18.31	27.02	39.00	13530.36
2007/11/23	50.68	20.80	18.51	26.50	38.81	13467.20
2007/11/30	50.50	21.45	18.56	27.05	39.71	13689.12
2007/12/07	48.83	21.27	19.42	27.79	40.48	13862.97
2007/12/14	47.50	21.51	19.21	27.84	39.41	13674.23
2007/12/21	46.37	21.38	19.60	28.95	39.61	13596.09
2007/12/28	45.50	21.64	19.92	28.88	40.26	13821.34
2008/01/04	46.10	22.04	19.86	28.99	40.30	13778.58
2008/01/11	47.41	21.82	19.95	28.85	39.90	13632.57
2008/01/18	49.50	21.06	19.10	27.81	38.10	12737.12
2008/01/25	48.60	21.61	19.04	27.99	37.85	12894.83

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2008/02/01	50.00	21.58	20.10	29.31	39.66	13318.37
2008/02/08	47.60	21.66	19.65	29.04	38.95	12989.34
2008/02/15	46.02	21.80	20.15	29.00	39.63	13226.76
2008/02/22	43.67	20.55	20.42	28.20	39.75	13585.93
2008/02/29	44.95	20.46	20.28	28.05	39.54	13582.69
2008/03/07	45.09	20.90	20.83	27.85	39.90	13281.72
2008/03/14	43.69	20.70	20.47	27.25	39.46	13252.84
2008/03/20	39.81	19.80	20.09	26.66	38.06	12775.64
2008/03/28	40.03	20.84	21.30	28.41	39.17	13233.79
2008/04/04	41.20	20.91	21.18	28.53	36.34	13668.19
2008/04/11	41.31	21.10	20.94	27.86	36.87	13683.03
2008/04/18	42.75	21.57	21.22	27.42	36.73	14237.06
2008/04/25	42.92	21.62	21.09	27.25	36.50	14103.87
2008/05/02	46.71	22.00	20.94	27.28	37.50	14280.28
2008/05/09	45.55	22.19	21.94	27.14	38.34	14521.19
2008/05/16	45.86	22.37	22.28	27.40	38.56	14984.20
2008/05/23	45.52	22.06	22.61	27.10	39.48	14723.36
2008/05/30	46.06	22.59	22.12	27.30	39.16	14714.73
2008/06/06	47.00	23.40	22.84	27.79	39.79	14969.55
2008/06/13	46.75	22.86	22.28	27.50	39.33	14778.46
2008/06/20	45.03	23.10	22.40	27.34	40.00	14580.67
2008/06/27	43.86	22.42	21.75	27.31	38.53	14355.21
2008/07/04	44.43	22.56	21.25	26.25	38.05	14010.39
2008/07/11	44.04	22.09	21.10	25.64	37.02	13709.10
2008/07/18	41.30	21.72	20.99	24.64	38.00	13515.96
2008/07/25	44.61	22.35	21.68	26.16	38.45	13378.81
2008/08/01	45.80	23.36	22.04	26.89	39.49	13496.53
2008/08/08	46.08	22.75	22.25	26.76	39.85	13341.74
2008/08/15	43.27	22.60	21.38	25.23	39.06	13096.70
2008/08/22	43.14	22.64	21.96	25.13	40.18	13447.29
2008/08/29	43.10	23.56	22.27	26.08	40.27	13771.25
2008/09/05	40.80	22.36	20.44	24.66	38.30	12816.42
2008/09/12	41.82	22.20	20.00	24.65	37.93	12769.58
2008/09/19	43.75	23.10	21.13	25.99	37.60	12912.99
2008/09/22	39.80	21.81	20.25	24.67	37.80	12126.00
2008/09/29	39.05	21.86	19.71	24.21	37.67	10803.35
2008/10/06	37.00	18.70	17.51	21.05	31.00	9065.16
2008/10/14	37.95	19.50	18.73	23.35	33.68	9562.49
2008/10/20	38.90	20.50	19.38	24.75	35.75	9294.09
2008/10/27	42.40	21.47	20.93	26.30	36.42	9762.76
2008/11/03	40.45	22.02	20.24	25.98	35.39	9596.21
2008/11/10	41.98	21.49	19.84	27.39	35.63	9055.96
2008/11/17	40.07	20.39	18.14	25.20	31.95	8155.39
2008/11/24	41.60	21.20	19.05	26.75	32.70	9270.62
2008/12/01	39.75	21.64	19.09	25.43	33.30	8117.03
2008/12/08	38.89	21.64	19.84	25.32	32.90	8515.45
2008/12/15	39.54	22.11	19.93	24.34	33.38	8552.00
2008/12/22	38.30	22.36	19.45	24.00	33.08	8310.55
2008/12/29	41.00	22.48	20.24	25.06	34.45	9234.11
2009/01/05	39.15	22.47	19.84	24.17	33.40	9085.18
2009/01/12	40.09	22.72	20.20	23.84	34.05	8920.40
2009/01/19	38.55	22.49	19.66	23.44	32.30	8627.97
2009/01/26	39.76	21.75	20.12	24.36	32.98	8694.90

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2009/02/02	39.99	21.60	21.05	23.86	33.82	9008.02
2009/02/09	40.03	21.22	20.73	23.39	33.49	8678.10
2009/02/17	38.03	19.87	20.11	23.51	31.97	7949.99
2009/02/23	41.30	20.38	19.05	24.01	30.90	8123.02
2009/03/02	39.95	18.99	18.07	21.90	29.33	7591.47
2009/03/09	39.48	19.00	18.68	21.70	30.37	8303.39
2009/03/16	39.41	19.75	19.06	23.48	31.44	8506.35
2009/03/23	38.00	18.81	18.00	22.13	30.33	8821.06
2009/03/30	36.55	19.00	18.30	21.73	30.18	9065.76
2009/04/06	34.85	19.30	18.28	22.22	30.00	9187.12
2009/04/13	35.77	19.66	18.66	22.85	30.15	9437.65
2009/04/20	35.00	19.81	18.47	22.62	29.75	9549.48
2009/04/27	35.15	20.00	18.84	22.36	30.25	9496.96
2009/05/04	35.85	19.96	18.41	22.80	30.39	10237.99
2009/05/11	34.75	19.91	18.43	23.00	30.67	9762.85
2009/05/19	34.93	19.39	18.64	23.64	31.59	9993.42
2009/05/25	35.38	19.66	19.35	24.00	32.38	10370.07
2009/06/01	35.99	19.90	19.50	24.07	33.44	10569.29
2009/06/08	36.17	21.29	19.99	25.25	34.23	10644.96
2009/06/15	36.48	20.84	19.59	25.02	31.49	10287.95
2009/06/22	38.29	21.86	20.28	26.00	31.17	10389.76
2009/06/29	38.06	21.42	20.24	25.78	31.29	10283.10
2009/07/06	36.63	20.25	19.65	25.17	30.70	9747.13
2009/07/13	37.43	20.84	20.10	25.72	31.15	10369.42
2009/07/20	37.20	21.05	19.75	25.26	30.94	10687.90
2009/07/27	36.60	20.75	20.85	25.46	30.64	10787.15
2009/08/04	36.95	21.01	21.00	25.16	31.14	10885.33
2009/08/10	36.89	21.05	20.76	25.31	31.49	10848.01
2009/08/17	37.54	21.00	20.40	25.73	31.99	10831.18
2009/08/24	37.72	20.74	20.41	25.14	32.50	10977.97
2009/08/31	36.82	20.88	20.29	25.19	32.40	11017.47
2009/09/08	36.19	20.87	20.22	24.81	31.93	11253.23
2009/09/14	36.28	21.03	20.21	24.90	33.17	11445.95
2009/09/21	37.02	21.17	20.55	24.86	33.73	11212.39
2009/09/28	37.38	21.13	20.38	24.68	32.63	10958.33
2009/10/05	39.07	21.99	21.37	25.49	33.90	11436.92
2009/10/13	39.19	22.49	21.25	25.69	33.17	11504.76
2009/10/19	39.19	22.70	21.09	25.93	33.40	11382.13
2009/10/26	38.53	22.03	21.05	25.30	33.16	10910.75
2009/11/02	39.35	22.42	21.39	25.86	32.05	11250.42
2009/11/09	41.45	23.54	21.61	26.60	32.24	11407.68
2009/11/16	40.96	23.76	22.07	26.75	33.16	11579.33
2009/11/23	40.60	23.65	22.53	26.07	33.96	11464.41
2009/11/30	41.22	24.17	22.83	26.77	34.31	11510.80
2009/12/07	43.27	24.38	24.23	27.82	34.97	11423.93
2009/12/14	45.15	25.34	24.02	28.61	36.17	11463.40
2009/12/21	44.00	24.99	23.78	28.70	35.77	11754.61
2009/12/29	43.75	25.07	24.32	28.68	36.19	11746.11
2010/01/04	42.70	24.65	23.67	28.70	35.20	11953.83
2010/01/11	43.85	24.80	23.21	28.46	34.82	11685.37
2010/01/18	43.94	24.28	23.33	28.39	34.96	11343.43
2010/01/25	43.26	23.13	23.21	27.70	34.17	11094.31
2010/02/01	42.80	23.63	23.45	27.59	34.44	11223.12

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2010/02/08	42.25	23.98	23.44	26.69	34.09	11469.81
2010/02/16	43.69	23.75	23.19	27.90	34.79	11709.29
2010/02/22	44.64	23.79	23.32	27.27	34.78	11629.63
2010/03/01	46.58	24.03	23.81	28.83	35.70	11975.14
2010/03/08	47.58	24.50	24.22	28.56	36.63	12013.82
2010/03/15	48.05	24.21	24.24	28.23	37.11	11947.98
2010/03/22	48.60	24.46	24.28	28.80	37.18	11957.37
2010/03/29	48.98	24.56	24.43	28.99	37.67	12151.06
2010/04/05	48.23	24.56	24.77	28.45	37.93	12176.84
2010/04/12	45.57	24.42	24.74	27.82	37.28	12070.66
2010/04/19	47.61	24.79	25.28	28.43	37.43	12239.64
2010/04/26	45.37	23.66	24.67	28.05	35.84	12210.70
2010/05/03	43.83	23.55	24.30	25.78	35.10	11692.43
2010/05/10	43.78	24.53	24.18	27.09	35.79	12014.97
2010/05/17	42.53	23.97	23.70	26.47	34.65	11521.35
2010/05/25	44.59	24.37	23.63	26.83	34.91	11749.12
2010/05/31	44.29	24.63	24.21	27.22	35.28	11569.61
2010/06/07	43.30	25.01	24.39	27.60	36.03	11666.92
2010/06/14	44.82	24.96	24.61	28.09	36.71	11927.59
2010/06/21	44.70	24.76	24.53	27.52	36.80	11707.85
2010/06/28	45.44	24.62	24.74	27.16	35.93	11196.06
2010/07/05	48.19	26.06	25.53	28.24	36.87	11570.45
2010/07/12	46.93	26.11	25.59	27.73	36.19	11569.65
2010/07/19	48.18	26.34	25.98	28.80	36.62	11714.21
2010/07/26	48.81	26.47	25.02	29.25	36.33	11713.43
2010/08/02	48.66	26.50	25.86	28.88	36.81	11799.97
2010/08/09	47.28	25.84	25.45	28.59	36.18	11528.25
2010/08/16	46.67	25.82	25.86	28.79	36.82	11722.07
2010/08/23	47.00	26.16	26.52	29.11	38.19	11879.72
2010/08/30	48.25	27.24	26.58	30.50	38.24	12144.92
2010/09/07	48.62	27.70	26.25	30.61	38.34	12097.09
2010/09/13	47.80	27.75	25.90	30.97	37.96	12164.56
2010/09/20	48.10	28.33	26.12	31.03	38.30	12204.86
2010/09/27	49.83	29.79	26.98	31.66	38.11	12363.08
2010/10/04	49.50	30.22	27.35	32.10	38.32	12535.59
2010/10/12	48.71	30.35	27.63	32.33	38.22	12609.07
2010/10/18	49.57	30.49	27.78	32.69	38.54	12601.18
2010/10/25	48.99	29.68	28.21	32.37	37.67	12676.24
2010/11/01	49.40	30.07	28.12	33.26	37.43	12925.11
2010/11/08	49.38	29.60	27.30	31.17	36.75	12749.24
2010/11/15	50.21	31.13	28.60	31.37	35.98	12956.33
2010/11/22	51.55	32.00	28.45	31.86	36.39	12892.71
2010/11/29	51.36	32.40	28.41	32.81	37.26	13163.53
2010/12/06	51.47	31.72	27.50	33.08	37.43	13239.47
2010/12/13	54.12	31.39	27.87	34.10	38.03	13201.46
2010/12/20	54.00	31.72	28.12	33.91	38.58	13383.16
2010/12/29	54.40	31.35	28.14	33.98	37.99	13443.22
2011/01/04	53.50	31.96	27.45	33.85	36.84	13272.30
2011/01/10	53.87	32.64	27.97	34.26	37.31	13464.06
2011/01/17	52.88	31.44	27.78	33.79	37.03	13258.57
2011/01/24	53.09	32.04	28.69	33.95	36.32	13437.58
2011/01/31	52.98	32.02	28.71	35.07	38.00	13791.85
2011/02/07	52.01	30.60	28.93	33.20	37.84	13766.76

Weekly Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
2011/02/14	50.89	32.47	28.74	33.81	38.01	14123.11
2011/02/22	50.23	31.57	28.88	32.81	38.49	14052.13
2011/02/28	49.95	31.39	29.18	33.10	38.55	14252.77
2011/03/07	49.94	30.89	28.81	32.05	38.91	13674.25
2011/03/14	50.50	30.82	28.80	32.61	38.65	13789.63
2011/03/21	50.74	31.61	29.85	33.12	39.20	14039.39
2011/03/28	52.33	31.71	30.09	32.95	39.55	14130.15
2011/04/04	53.06	31.25	29.93	32.48	39.59	14208.43
2011/04/11	52.16	30.97	30.30	31.45	40.07	13799.12
2011/04/18	52.61	30.95	30.59	31.83	40.08	13972.02
2011/04/25	53.63	31.50	30.75	32.49	40.71	13944.79
2011/05/02	55.32	31.64	30.37	32.69	41.40	13566.60
2011/05/09	57.62	31.55	30.27	32.66	41.24	13377.16
2011/05/16	58.33	31.98	31.47	33.28	42.72	13652.27
2011/05/24	59.37	32.50	32.16	33.66	43.16	13797.59
2011/05/30	57.23	31.80	31.63	32.94	42.95	13517.91
2011/06/06	56.60	31.62	30.33	31.65	41.56	13084.00
2011/06/13	56.35	31.46	30.26	31.93	41.27	12789.95
2011/06/20	54.42	31.11	30.54	31.18	42.13	12908.89
2011/06/27	56.02	31.61	31.36	32.35	42.35	13300.87
2011/07/04	56.02	31.86	31.66	32.50	40.73	13371.70
2011/07/11	57.24	32.38	31.10	32.14	40.43	13299.54
2011/07/18	57.90	32.64	31.47	32.46	40.61	13494.63
2011/07/25	56.38	31.59	31.37	31.66	40.14	12945.63
2011/08/02	56.08	29.92	29.72	30.45	38.46	12162.17
2011/08/08	57.75	30.07	31.68	31.25	40.96	12542.20
2011/08/15	55.85	29.80	30.76	30.48	40.02	12007.47
2011/08/22	56.37	30.35	31.54	30.88	41.61	12284.31
2011/08/29	59.45	30.94	32.35	32.04	42.25	12602.41
2011/09/06	60.20	31.24	31.85	32.21	41.70	12387.54
2011/09/12	59.44	31.53	31.17	32.90	41.30	12263.71
2011/09/19	59.28	31.70	31.84	31.79	41.52	11462.87
2011/09/26	62.11	32.31	33.45	32.93	42.54	11623.84
2011/10/03	61.01	31.96	33.42	31.97	41.52	11588.36
2011/10/11	62.14	32.62	33.96	32.96	42.17	12081.73
2011/10/17	62.27	32.66	35.20	33.39	43.75	11949.49
2011/10/24	60.42	33.31	34.47	33.80	43.48	12519.51
2011/10/31	62.88	32.85	35.18	33.68	42.37	12408.25
2011/11/07	60.80	32.13	35.10	33.54	40.81	12276.85
2011/11/14	60.06	31.40	36.19	32.79	41.57	11892.44
2011/11/21	60.11	31.22	34.87	32.03	40.79	11462.06
2011/11/28	60.30	32.89	35.40	32.52	43.05	12075.09
2011/12/05	60.47	32.90	36.68	32.58	42.36	12034.75
2011/12/12	59.00	31.66	35.85	32.05	43.75	11635.38
2011/12/19	61.75	33.55	37.60	33.05	44.45	11926.67
2011/12/28	61.54	33.04	38.09	33.37	44.53	11955.09

Closing Prices

Date	Canadian					S&P/TSX
	Utilities	Emera	Enbridge	Fortis	TransCanada	Composite Index
Dec-03	28.93	17.85	13.43	14.73	27.88	8220.89
Jan-04	29.74	18.19	12.75	15.61	27.05	8521.39
Feb-04	29.70	18.79	12.97	15.23	27.71	8788.49
Mar-04	31.25	19.25	13.33	16.12	28.28	8585.93
Apr-04	29.25	19.30	12.54	16.00	27.15	8243.97
May-04	27.13	17.38	12.59	14.91	27.39	8283.35
Jun-04	26.45	16.90	12.18	14.54	26.40	8390.18
Jul-04	26.66	17.57	12.53	14.88	26.65	8458.07
Aug-04	27.57	18.30	13.16	15.00	27.49	8377.03
Sep-04	27.58	17.80	13.19	15.31	27.65	8668.29
Oct-04	29.84	18.17	13.22	16.06	27.63	8870.97
Nov-04	29.99	18.72	14.38	16.80	29.38	9030.05
Dec-04	30.16	19.17	14.93	17.38	29.80	9246.65
Jan-05	29.91	19.60	15.73	18.53	29.80	9204.05
Feb-05	30.50	19.03	15.30	18.32	29.72	9668.32
Mar-05	30.68	18.50	15.55	17.85	29.82	9612.38
Apr-05	30.85	17.86	15.86	18.02	29.65	9369.30
May-05	32.08	18.50	16.70	18.70	30.35	9607.30
Jun-05	34.99	18.80	17.48	19.43	32.24	9902.77
Jul-05	35.50	18.00	17.65	20.60	33.59	10422.93
Aug-05	38.06	18.56	17.51	21.03	33.00	10668.94
Sep-05	39.51	19.60	18.63	24.11	35.50	11011.83
Oct-05	39.68	19.40	18.01	22.00	35.07	10383.32
Nov-05	42.60	19.85	18.09	24.91	36.19	10824.14
Dec-05	43.98	21.04	18.17	24.27	36.65	11272.26
Jan-06	40.84	19.43	18.01	23.72	35.42	11945.64
Feb-06	40.45	20.00	17.90	23.33	34.99	11688.34
Mar-06	38.46	19.10	16.80	22.43	33.67	12110.61
Apr-06	37.65	19.20	16.58	21.79	33.02	12204.17
May-06	41.25	18.93	17.28	24.15	33.50	11744.52
Jun-06	36.90	18.84	16.99	22.29	31.85	11612.87
Jul-06	40.25	19.43	18.10	22.50	34.75	11830.96
Aug-06	39.96	20.18	18.20	25.12	35.94	12073.75
Sep-06	41.02	20.14	18.04	24.44	35.15	11761.00
Oct-06	42.10	21.34	18.88	25.65	36.34	12344.59
Nov-06	44.67	22.54	20.10	28.15	38.64	12752.39
Dec-06	47.73	22.60	20.14	29.77	40.61	12908.39
Jan-07	43.75	21.31	19.16	26.89	39.03	13034.12
Feb-07	43.02	20.39	18.56	26.30	37.30	13045.02
Mar-07	42.57	20.67	18.83	28.01	38.35	13165.50
Apr-07	45.17	21.51	18.30	28.24	39.57	13416.68
May-07	49.79	21.63	18.98	28.20	39.35	14056.78
Jun-07	46.30	19.90	17.95	26.00	36.64	13906.57
Jul-07	47.75	20.66	18.92	26.33	38.50	13868.63
Aug-07	48.65	19.82	17.80	26.55	36.80	13660.48
Sep-07	48.65	20.15	18.22	27.05	36.47	14098.89
Oct-07	54.36	20.48	20.46	28.24	40.18	14625.00
Nov-07	50.50	21.45	18.56	27.05	39.71	13689.12
Dec-07	46.40	21.89	20.01	28.99	40.54	13833.06
Jan-08	50.23	21.59	20.05	28.65	39.57	13155.10
Feb-08	44.95	20.46	20.28	28.05	39.54	13582.69

Closing Prices

Date	Canadian Utilities	Emera	Enbridge	Fortis	TransCanada	S&P/TSX Composite Index
Mar-08	41.49	21.04	21.17	29.21	39.55	13350.13
Apr-08	44.34	21.45	20.71	27.81	36.90	13937.04
May-08	46.06	22.59	22.12	27.30	39.16	14714.73
Jun-08	44.02	23.07	22.03	27.16	39.50	14467.03
Jul-08	46.05	23.34	22.47	27.05	39.70	13592.91
Aug-08	43.10	23.56	22.27	26.08	40.27	13771.25
Sep-08	37.95	21.17	19.69	24.04	38.17	11752.90
Oct-08	42.40	21.47	20.93	26.30	36.42	9762.76
Nov-08	41.60	21.20	19.05	26.75	32.70	9270.62
Dec-08	40.50	22.20	19.78	24.59	33.17	8987.70
Jan-09	39.76	21.75	20.12	24.36	32.98	8694.90
Feb-09	41.30	20.38	19.05	24.01	30.90	8123.02
Mar-09	36.75	19.03	18.18	22.14	29.83	8720.39
Apr-09	34.50	19.76	18.43	22.15	29.78	9324.83
May-09	35.38	19.66	19.35	24.00	32.38	10370.07
Jun-09	37.95	21.73	20.18	25.41	31.32	10374.91
Jul-09	36.60	20.75	20.85	25.46	30.64	10787.15
Aug-09	37.46	20.74	20.45	24.91	32.60	10868.21
Sep-09	37.89	21.25	20.79	24.98	33.37	11394.96
Oct-09	38.53	22.03	21.05	25.30	33.16	10910.75
Nov-09	41.15	23.74	22.51	26.11	34.13	11447.20
Dec-09	43.75	25.07	24.32	28.68	36.19	11746.11
Jan-10	43.26	23.13	23.21	27.70	34.17	11094.31
Feb-10	44.64	23.79	23.32	27.27	34.78	11629.63
Mar-10	49.10	24.53	24.22	28.89	37.22	12037.73
Apr-10	45.37	23.66	24.67	28.05	35.84	12210.70
May-10	44.74	24.31	23.81	26.96	35.50	11762.99
Jun-10	45.36	24.62	24.79	27.18	35.61	11294.42
Jul-10	48.81	26.47	25.02	29.25	36.33	11713.43
Aug-10	47.70	26.20	26.53	29.49	38.00	11913.86
Sep-10	49.86	29.59	26.95	31.94	38.17	12368.65
Oct-10	48.99	29.68	28.21	32.37	37.67	12676.24
Nov-10	51.80	32.33	28.57	32.10	36.20	12952.88
Dec-10	54.40	31.35	28.14	33.98	37.99	13443.22
Jan-11	53.21	32.20	29.03	34.50	36.55	13551.99
Feb-11	50.29	31.49	29.03	32.99	39.04	14136.50
Mar-11	52.95	31.69	29.71	33.12	39.31	14116.10
Apr-11	53.63	31.50	30.75	32.49	40.71	13944.79
May-11	57.11	32.25	32.47	33.01	43.39	13802.88
Jun-11	56.02	31.61	31.36	32.35	42.35	13300.87
Jul-11	56.38	31.59	31.37	31.66	40.14	12945.63
Aug-11	60.00	31.68	32.50	32.66	42.36	12768.70
Sep-11	62.11	32.31	33.45	32.93	42.54	11623.84
Oct-11	60.25	32.73	34.53	33.70	42.37	12252.06
Nov-11	62.17	32.77	36.14	33.51	42.88	12204.11
Dec-11	61.54	33.04	38.09	33.37	44.53	11955.09