

1 **Q. Please confirm that Fortis Inc. reports at p. 17 of its 2011 Annual Report that its**
2 **Return on Average Book Common Shareholders' Equity was 8.9% in 2011 and**
3 **8.8% in 2010 and that Fortis' earnings in 2011 included an \$11,000,000 after-tax fee**
4 **paid to Fortis following the termination of a merger agreement with Central**
5 **Vermont Public Service Corporation.**

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7 A. It is confirmed that Fortis Inc.'s earnings in 2011 reflect its corporate development
8 activities which include the \$11 million, net of tax, termination fee related to the
9 proposed Central Vermont Public Service merger agreement.

10 Table 1 shows Fortis Inc.'s *market* and book returns on equity for 2010 and 2011.
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Table 1
Fortis Inc.
Return on Common Shareholders' Equity
2010 – 2011
(%)

	2010	2011	Average
Market ¹	22.38	1.62	12.00
Book	8.79	8.86	8.83

¹ Market return on equity reflects the growth in year over year share price plus the amount of cash dividends payable in a year.