

Q. Written Evidence of James H. Vander Weide – Volume 3

Pg. 18, A47 and pg. 35, Table 2 - Would another disadvantage be that return data for the BMO CM basket has been available since 1983 while the data from the S&P/TSX Utilities index has been available since 1956? Given the shorter time frame, do you believe the data from the BMO CM basket is reliable?

A. (sub-part a.) Yes. As Dr. Vander Weide states in his evidence in response to Question 98:

The BMO CM utility stock return database is valuable because it provides information on the experienced returns for a sample of Canadian companies that receive a significantly higher percentage of revenues from traditional utility operations than the companies in the S&P/TSX index. However, the time period covered is not as long as the period covered by the S&P/TSX utility index.

(sub-part b.) Yes. The BMO CM basket is reliable because the BMO CM basket of Canadian utilities is the only data on returns of Canadian utilities that includes only utilities with a significant percentage of regulated assets, and data for the BMO CM basket covers a twenty-nine-year period.