

1 **Volume 3, Section 1 – McShane, Cost of Capital**

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3 **Q. (page 58, lines 1581-1588) In order that a comparison may be made between the**
4 **relative riskiness of Ms. McShane’s low-risk industrials and the benchmark**
5 **Canadian utility, please provide the standard deviations of investment returns,**
6 **based on 5 years of monthly investment returns data, for all the utilities and low-**
7 **risk industrials shown in Schedules 13 and 25, for the 5-year periods ending**
8 **December 2000, December 2001, December 2002, December 2003, December 2004,**
9 **December 2005, and December 2006.**

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11 **A. See Attachment A.**

**Standard Deviations of Investment Returns,
60 Months Ending December 31, 2000-2006**

Standard Deviations of Investment Returns, 60 Months Ending:

Company Name	Dec 2000	Dec 2001	Dec 2002	Dec 2003	Dec 2004	Dec 2005	Dec 2006
7 Regulated Canadian Utilities							
CANADIAN UTILITIES -CL A	0.0556	0.0543	0.0531	0.0487	0.0478	0.0398	0.0458
EMERA INC	0.0481	0.0496	0.0493	0.0425	0.0411	0.0383	0.0376
ENBRIDGE INC	0.0603	0.0674	0.0569	0.0551	0.0551	0.0446	0.0351
FORTIS INC	0.0391	0.0429	0.0436	0.0409	0.0411	0.0480	0.0515
PACIFIC NORTHERN GAS LTD	0.0835	0.1087	0.1168	0.1172	0.1164	0.0983	0.0704
TERASEN INC	0.0551	0.0581	0.0585	0.0562	0.0479	NA	NA
TRANSCANADA CORP	0.0785	0.0807	0.0782	0.0692	0.0575	0.0374	0.0350
Average	0.0600	0.0659	0.0652	0.0614	0.0581	0.0511	0.0459
Median	0.0556	0.0581	0.0569	0.0551	0.0479	0.0422	0.0417
17 Low Risk Canadian Industrials							
ALGOMA CENTRAL CORP	0.0937	0.0928	0.0897	0.0808	0.0734	0.0649	0.0643
ARBOR MEMORIAL SERVICES-CL B	0.1161	0.1273	0.1294	0.1281	0.1269	0.0780	0.0546
ASTRAL MEDIA INC -CL A	0.1053	0.1057	0.1035	0.0894	0.0877	0.0520	0.0505
CANADA BREAD CO LTD	0.0914	0.0979	0.1033	0.0948	0.0936	0.0854	0.0845
CANADIAN TIRE CORP -CL A	0.0857	0.0848	0.0882	0.0854	0.0835	0.0669	0.0643
EMPIRE CO LTD -CL A	0.0770	0.0834	0.0840	0.0743	0.0703	0.0677	0.0593
FINNING INTERNATIONAL INC	0.0786	0.0847	0.0883	0.0859	0.0718	0.0628	0.0526
LEON'S FURNITURE LTD	0.0722	0.0769	0.0716	0.0650	0.0573	0.0545	0.0493
LOBLAW COMPANIES LTD	0.0728	0.0731	0.0656	0.0564	0.0559	0.0493	0.0476
MAPLE LEAF FOODS INC	0.0981	0.1033	0.1077	0.0881	0.0861	0.0758	0.0672
REITMANS (CANADA) -CL A	0.0574	0.0611	0.0742	0.0753	0.0887	0.0901	0.0914
THOMSON CORP	0.0781	0.0750	0.0756	0.0713	0.0691	0.0444	0.0446
TORSTAR CORP -CL B	0.0725	0.0803	0.0790	0.0729	0.0730	0.0629	0.0512
TRANSCONTINENTAL INC -CL A	0.0709	0.0737	0.0741	0.0653	0.0663	0.0690	0.0671
TVA GROUP INC -CL B	0.1187	0.1227	0.1241	0.1196	0.1158	0.0804	0.0705
UNI-SELECT INC	0.0873	0.0925	0.0894	0.0774	0.0724	0.0547	0.0469
WESTON (GEORGE) LTD	0.0790	0.0792	0.0730	0.0642	0.0596	0.0495	0.0483
Average	0.0856	0.0891	0.0895	0.0820	0.0795	0.0652	0.0597
Median	0.0790	0.0847	0.0882	0.0774	0.0730	0.0649	0.0546