Q: Reference: Page 16, Lines 25-27 and Page 17, Table at Line 6 and Schedule 4; Page 61, Lines 7-9

"….NP's achieved equity returns have been less than 40% as volatile as those of the major Ontario gas distribution utilities over the past 11 years…"

"…how has the riskiness of the typical firm in your industrial sample changed, if at all, relative to the typical S&P/TSX firm, over the period from the end of 1996 to today?"

Please explain why Dr. Cannon chose the period 1996-2006 rather than his full business cycle of 1990-2006 for these analyses.

A: As can clearly be seen in the table at the top of page 17 and on all three pages of Schedule 4, Dr. Cannon showed the results for both the 1990-2006 and 1996-2006 periods. He highlighted the results for the more recent period in his textual reference on page 16 on the assumption that this period would be more reflective of the comparative capabilities of NP's present management (versus those of the other utilities) than the longer period. Moreover, as the analysis focuses on year-by-year deviations of achieved ROCEs from average, trendline, and allowed ROCEs, there is no logical requirement that every year in a full business cycle be examined.

With regard to the referenced passage on page 61, data availability from the "Research Insight" database restricted Dr. Cannon's analysis to the 1996-June-2007 period.