

1 **Q. At page 25 of her direct testimony, Ms. McShane states that “both DBRS and S&P**
2 **have commented on the high leverage of Canadian utilities” and their low allowed**
3 **return on equity. Please provide copies of all credit reports or other work papers in**
4 **support of this testimony.**

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6 A. The documents Ms. McShane reviewed in support of this testimony are cited below.

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8 The DBRS report entitled, “*The Rating Process and the Cost of Capital for Utilities:*
9 *Five Reasons Why Canadian Utilities have Lower Ratios and Five Changes to*
10 *Regulation Which Should be Introduced in Canada*”, was provided in response to CA-
11 NP-263 as Attachment O.

12
13 The three DBRS reports referred to in the referenced pages dealing with ATCO Ltd.,
14 AltaLink and FortisAlberta are provided in the response to CA-NP-263 as Attachment P.

15
16 Moody’s Investor Services, *Rating Methodology: Global Regulated Electric*
17 *Utilities*, March 2005 filed with CA-NP-263 as Attachment G.

18
19 The Standard & Poor’s reports referenced on page 27 were filed in response to CA-NP-
20 263 as follows:

- 21
- 22 • Standard & Poor’s, *Research Summary: AltaLink*, June 5, 2006 filed with CA-
23 NP-263 as Attachment R.
 - 24
 - 25 • Standard & Poor’s, *Research: Union Gas*, August 24, 2006 filed with CA-NP-
26 263 as Attachment S.
 - 27
 - 28 • Standard & Poor’s, *Industry Report Card: Regulatory Rulings, M&A, and Fuel*
29 *Cost Recovery Dominate Global Utilities Credit Environment*, November 21,
30 2006 filed with CA-NP-263 as Attachment T.