

- 1 **Q. Referring to Ms. McShane's Schedule 3 and Schedule 4, please provide the following:**  
2  
3 **a. Average S&P and Moody's bond rating for Canadian electric utilities.**  
4 **b. Average S&P and Moody's bond rating for U.S. electric utilities.**  
5 **c. Average return on equity and common equity ratio for Canadian electric utilities.**  
6 **d. Average return on equity and common equity ratio for U.S. electric utilities.**  
7  
8 A. (a) Please see Ms. McShane's Schedule 1.  
9  
10 (b) Please see Ms. McShane's Schedule 4 for the S&P ratings. The average Moody's  
11 rating for the U.S. electric utilities in Schedule 4 is A2.  
12  
13 (c & d) Attachment A includes the actual ROEs for the period 2003-2006 for the Canadian  
14 and US electric utilities (where available) listed on Schedules 3 and 4. The actual  
15 common equity ratios are found on Schedule 2 (Canadian) and Schedule 4 (US).

**The actual ROEs for the Period 2003-2006 for the Canadian and US electric utilities (where available) listed on Schedules 3 and 4**

**RETURN ON EQUITY  
FOR CANADIAN ELECTRIC UTILITIES  
2003-2006**

<b>Company</b>	<b>Return on Equity 2003</b>	<b>Return on Equity 2004</b>	<b>Return on Equity 2005</b>	<b>Return on Equity 2006</b>
<b>Electric Utilities</b>				
AltaLink L.P.	7.7	8.4	10.0	8.7
CU Inc.	12.7	11.7	10.8	9.9
Enersource Corp.	3.9	5.9	6.7	8.4
ENMAX Corp.	16.2	12.9	9.2	9.7
FortisBC Inc.	11.0	11.8	10.3	9.6
Hydro One Inc. <sup>4/</sup>	9.7	11.8	10.8	9.5
Maritime Electric <sup>2/</sup>	9.1	9.8	9.4	10.2
Newfoundland Power	10.4	10.3	9.3	9.3
Nova Scotia Power <sup>3/</sup>	10.4	10.0	8.7	9.7
Toronto Hydro	14.2	8.0	7.7	8.9
Veridian Corp. <sup>4/</sup>	5.0	5.8	9.2	10.7

Notes

<sup>1/</sup> 2004-2006 from annual reports

<sup>2/</sup> All data from annual reports

<sup>3/</sup> 2005 and 2006 from annual report

<sup>4/</sup> 2006 from annual report

Source: All data from DBRS unless noted otherwise.

**RETURN ON EQUITY  
FOR U.S. ELECTRIC UTILITIES  
2003-2006**

<b>Company</b>	<b>Return on Equity 2003</b>	<b>Return on Equity 2004</b>	<b>Return on Equity 2005</b>	<b>Return on Equity 2006</b>
<b>Electric Utilities</b>				
Central Hudson Gas & Electric	14.1	13.8	12.0	10.9
Consolidated Edison Inc.	11.4	8.9	11.1	10.1
Consolidated Edison Co. of NY	8.5	8.0	10.0	9.6
Orange and Rockland Utilities <sup>1/</sup>	12.5	12.1	13.2	12.3
Niagara Mohawk Power Corp.	4.3	7.5	8.4	4.7
NSTAR	13.6	13.5	13.2	13.3
PPL Electric Utilities Corp. <sup>2/</sup>	2.1	5.9	11.2	14.3
Public Service Co. of NC	13.0	12.0	9.8	7.7

1/ 2006 from Standard and Poor's Ratings Direct.

2/ 2005 and 2006 from 10-K.

Source: All data from Standard and Poor's Research Insight unless noted otherwise.