UNDERTAKING J11.1

Undertaking

To update Exhibit C2, Tab 1, Schedule 1, Page 258 to 261, Schedule 30.

Response

See attached Schedule.

EQUITY RETURN AWARDS AND CAPITAL STRUCTURES ADOPTED BY REGULATORY BOARDS FOR CANADIAN UTILITIES (Percentages)

	Decision Date	Regulator	Order/ File Number	Debt	Preferred Stock	Common Stock Equity		Equity Return	Forecast 30-Year Bond Yield	
	(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
Electric Utilities										
AltaLink	7/04; 11/07	EUB	2004-052; U2007-347	67.00	0.00	33.00		8.75	4.55	
ATCO Electric		EUB								
Transmission	7/04; 11/07		2004-052; U2007-347	61.00	6.00	33.00		8.75	4.55	
Distribution	7/04; 11/07		2004-052; U2007-347	56.10	6.90	37.00		8.75	4.55	
EPCOR		EUB								
Transmission	7/04; 11/07		2004-052; U2007-347	65.00	0.00	35.00		8.75	4.55	
Distribution	7/04; 11/07		2004-052; U2007-347	61.00	0.00	39.00		8.75	4.55	
FortisAlberta Inc.	7/04; 11/07	EUB	2004-052; U2007-347	63.00	0.00	37.00		8.75	4.55	
FortisBC Inc.	3/06; 11/07	BCUC	G-14-06; L-93-07	60.00	0.00	40.00		9.02	4.55	
Hydro One Transmission	8/07	OEB	EB-2006-0501	60.00	0.00	40.00		8.35	4.16	
Maritime Electric	1/08	IRAC	UE20937	57.31	0.00	42.69		10.00	na	
Newfoundland Power	12/07	NLPub	PU32 (2007)	54.01	1.15	44.84		8.95	4.60	[1/]
Nova Scotia Power	1/05;2/07	UARB	2005 NSUARB 27; 2007 NSUARB 8	53.30	9.20	37.50		9.55	na	[2/]
Northwest Territories Power Corp.	8/07	PUB of NWT	Decision 13-2007	52.26	0.00	48.59	[3/]	9.25	4.60	
Ontario Electricity Distributors	12/06	OEB	Report of the Board	60.00	0.00	40.00		8.57	4.46	[4/]
Yukon Energy	10/05	YUB	OIC 1998/32; Order 2005-12, BCUC G-55-07	60.00	0.00	40.00		9.15	4.55	[5/]
Gas Distributors										
ATCO Gas	7/04; 11/07	EUB	2004-052; U2007-347	55.10	6.90	38.00		8.75	4.55	
Enbridge Gas Distribution Inc	1/04; 1/07; 2/08	OEB	RP-2002-0158; EB-2006-0034; EB-2007-0615	61.33	2.67	36.00		8.39	4.23	
Gaz Metropolitain	10/07	Régie	D-2007-116	54.00	7.50	38.50		9.05	4.78	
Pacific Northern Gas	11/07; 5/07	BCUC	L-93-07; G-55-07	56.20	3.80	40.00		9.27	4.55	
Terasen Gas	3/06; 11/07	BCUC	G-14-06; L-93-07	65.00	0.00	35.00		8.62	4.55	
Union Gas	1/04; 3/04; 5/06	OEB	RP-2002-0158; RP-2003-0063; EB-2005-0520	60.60	3.40	36.00		8.54	4.23	
Gas Pipelines										
Alberta Natural Gas	11/07; 2/06	NEB	RH-2-94;TG-02-2006	64.00	0.00	36.00		8.72	4.55	
Foothills Pipe Lines (Yukon) Ltd.	11/07; 12/05	NEB	RH-2-94;TG-08-2005	64.00	0.00	36.00		8.72	4.55	
TransCanada PipeLines	11/07; 5/07	NEB	RH-2-94/RH-2-2004/TG-06-2007	60.00	0.00	40.00		8.72	4.55	
Trans Quebec & Maritimes Pipeline	11/07	NEB	RH-2-94	70.00	0.00	30.00		8.72	4.55	
Westcoast Energy	11/07; 12/06	NEB	RH-2-94;TG-05-2006	64.00	0.00	36.00		8.72	4.55	

[1/] The settlement agreement specifying ROE and capital structure was approved by the PUB.

[2/] A negotiated settlement to be filed with the UARB would implement a fuel adjustment clause and reduce the return on equity to 9.35% if approved.

[3/] The capital structure of NTPC includes no cost capital (-.85%).

[4/] The 8.57% ROE is for rates to be in effect as of May 2008. As per the 12/06 Report of the Board, the ROE is to be based on the January 2008 *Consensus Forecasts* and the January 2008 spread.

[5/] The YUB set YEC's risk premium at the mid-point of the FortisBC risk premium (40bp) and that of PNG (65bp) as established by BCUC G-55-07. By Order in Council, YEC's ROE is then reduced from the "fair return on common equity" by 0.50%.

Source: Board Decisions.

Filed: 2008-06-16
EB-2007-0905
J11.1
Attachment

RATES OF RETURN ON COMMON EQUITY ADOPTED BY REGULATORY BOARDS FOR CANADIAN UTILITIES

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Electric Utilities																			
AltaLink	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.40	9.60	9.50	8.93	8.51	8.75
ATCO Electric	13.50	13.50	13.25	11.88	NA	NA	11.25	1/	1/	1/	1/	1/	1/	9.40	9.60	9.50	8.93	8.51	8.75
FortisAlberta Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.50	9.50	9.60	9.50	8.93	8.51	8.75
FortisBC Inc.	13.50	NA	11.75	11.50	11.00	12.25	11.25	10.50	10.25	9.50	10.00	9.75	9.53	9.82	9.55	9.43	9.20	8.77	9.02
Newfoundland Power	13.95	13.25	NA	NA	NA	NA	11.00	NA	9.25	9.25	9.59	9.59	9.05	9.75	9.75	9.24	9.24	8.60	8.95
Nova Scotia Power	NA	NA	NA	11.75	NA	NA	10.75	NA	NA	NA	NA	NA	10.15	NA	NA	9.55	9.55	9.55	na
Ontario Electricity Distributors	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.35	9.88	9.88	9.88	9.88	9.88	9.88	9.00	9.00	8.57
TransAlta Utilities	13.50	13.50	13.25	11.88	NA	12.25	11.25	1/	2/	9.25	9.25	NA	9.40	NA	NA	NA	NA	NA	na
Mean of Electric Utilities	**13.61**	**13.42**	**12.75**	**11.75**	**11.00**	**12.25**	**11.10**	**10.50**	**9.75**	**9.34**	**9.68**	**9.74**	**9.59**	**9.63**	**9.66**	**9.51**	**9.11**	**8.78**	**8.80**
Gas Distributors																			
ATCO Gas	13.25	13.25	12.25	12.25	NA	NA	NA	10.50	9.38	NA	NA	9.75	9.75	9.50	9.50	9.50	8.93	8.51	8.75
Enbridge Gas Distribution	13.25	13.13	13.13	12.30	11.60	11.65	11.88	11.50	10.30	9.51	9.73	9.54	9.66	9.69	NA	9.57	8.74	8.39	8.39
Gaz Metro	14.25	14.25	14.00	12.50	12.00	12.00	12.00	11.50	10.75	9.64	9.72	9.60	9.67	9.89	9.45	9.69	8.95	8.73	9.05
Pacific Northern Gas	15.00	14.00	13.25	NA	11.50	12.75	11.75	11.00	10.75	10.00	10.25	10.00	9.88	10.17	9.80	9.68	9.45	9.02	9.27
Terasen Gas	NA	NA	12.25	NA	10.65	12.00	11.00	10.25	10.00	9.25	9.50	9.25	9.13	9.42	9.15	9.03	8.80	8.37	8.62
Union Gas	13.75	13.50	13.50	13.00	12.50	11.75	11.75	11.00	10.44	9.61	9.95	9.95	9.95	9.95	9.62	9.62	9.62	8.54	8.54
Mean of Gas Distributors	**13.90**	**13.63**	**13.06**	**12.51**	**11.65**	**12.03**	**11.68**	**10.96**	**10.27**	**9.60**	**9.83**	**9.68**	**9.67**	**9.77**	**9.50**	**9.52**	**9.08**	**8.59**	**8.77**
Gas Pipelines (NEB)																			
TransCanada PipeLines	13.25	13.50	13.25	12.25	11.25	12.25	11.25	10.67	10.21	9.58	9.90	9.61	9.53	9.79	9.56	9.46	8.88	8.46	8.72
Westcoast Energy	13.25	13.75	12.50	12.25	11.50	12.25	11.25	10.67	10.21	9.58	9.90	9.61	9.53	9.79	9.56	9.46	8.88	8.46	8.72
Mean of Gas Pipelines	**13.25**	**13.63**	**12.88**	**12.25**	**11.38**	**12.25**	**11.25**	**10.67**	**10.21**	**9.58**	**9.90**	**9.61**	**9.53**	**9.79**	**9.56**	**9.46**	**8.88**	**8.46**	**8.72**
Mean of All Companies	**13.68**	**13.56**	**12.94**	**12.16**	**11.50**	**12.13**	**11.36**	**10.84**	**10.15**	**9.50**	**9.79**	**9.68**	**9.62**	**9.71**	**9.59**	**9.51**	**9.07**	**8.66**	**8.78**

1/ Negotiated settlement, details not available.
2/ Negotiated settlement, implicit ROE made public is 10.5%.

Source: Regulatory Decisions