

- Q. With respect to p. 37, lines 3-5, please identify the utilities whose major restructurings would have resulted in highly unstable earnings per share.
- A. **Two utilities in the sample have undergone substantial restructuring in their activities, specifically BCE Inc and TransAlta Corporation. In the case of BCE, the spin-off of their interests in Nortel occurred during the observation period creating substantial volatility in earnings. With regard to TransAlta, the company was experiencing substantial deregulation and transformation of the electricity sector in Alberta which resulted in higher earnings volatility.**