

- 1 **Q. Evidence of Dr. Vander Weide: US allowed ROEs Pages 23-26: Please indicate the**
2 **current S&P bond ratings for the Canadian and US governments.**
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4 A. The current S&P bond rating for the Canadian government is AAA, and the current S&P
5 bond rating for the United States government is AA+. Moody's rates both governments
6 as Aaa. Dr. Vander Weide notes that information on the sovereign credit ratings of
7 Canadian and U.S. governments is irrelevant to the required rate of return on an
8 investment in Canadian and U.S. utilities because the required return on utilities depends
9 on the risk of investing in utility stocks, not the risk of investing in Canadian and U.S.
10 government bonds.