

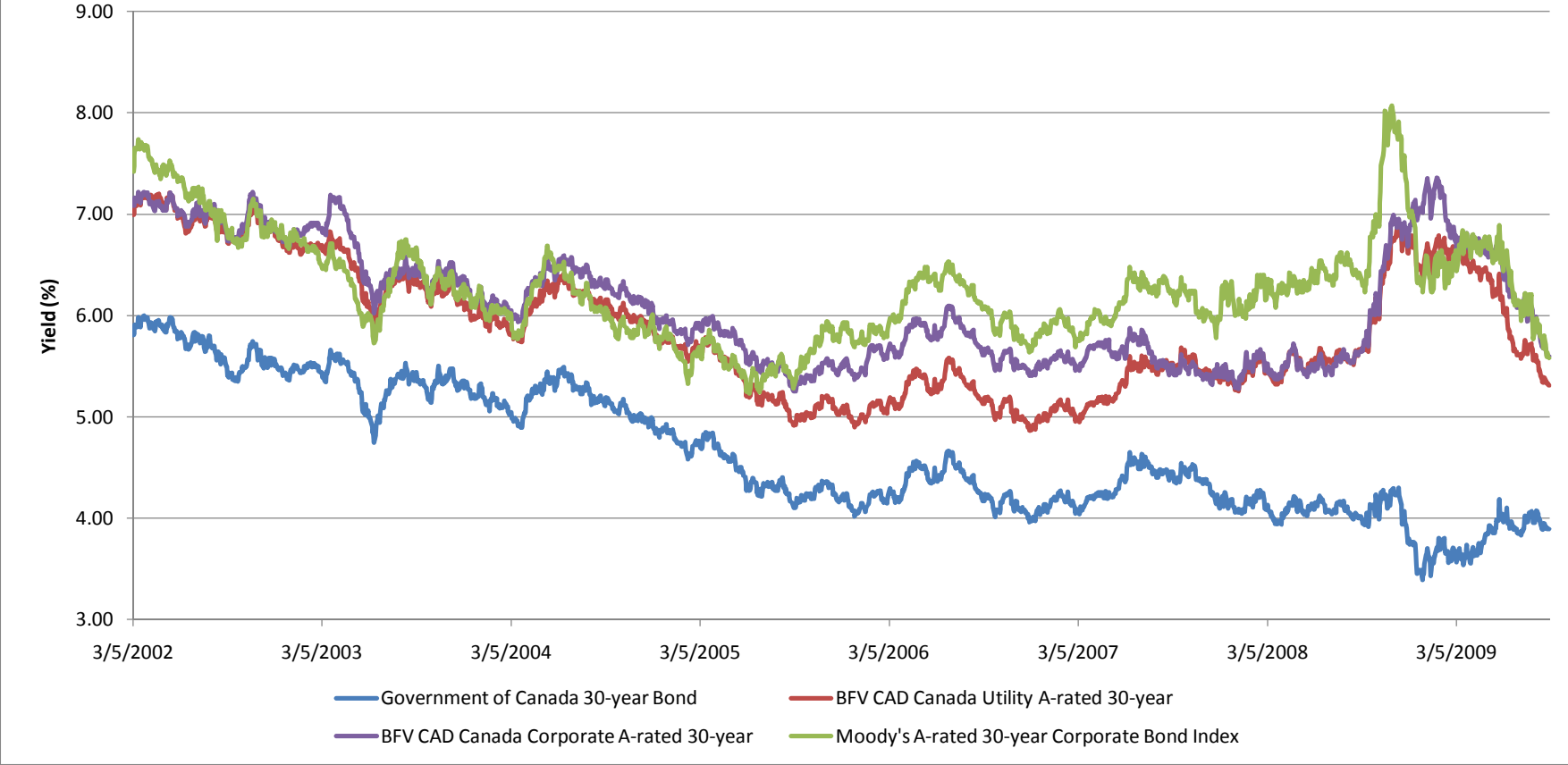
## **Bloomberg Fair Value Curves:** The Bloomberg Fair Value Canada 30-

Year A-rated Utility (C29530Y) curve is a yield curve based upon the yields and maturities of Canadian dollar-denominated fixed-rate bonds, issued by Canadian utility companies, with ratings of A+, A, A- from S&P, Moody's, Fitch and/or DBRS. The index is not comprised solely of 30-year bonds, but rather is "derived" using an optimization model that solves simultaneously for all yields and maturity points in constructing the term structure of Canadian A-rated utility bond Issuances to best fit the existing bond yield data. The bond yields and maturities listed below serve as inputs to the optimization model and cannot be traced directly to the curve, i.e. the specific points on the curve are derived from the optimization model and do not correspond to any specific bond yield. The yields are from the secondary market (not new issues), thereby eliminating the ability of an issuing company to skew results. The same group of bonds is used to derive the Canadian Utility A-rated bond index for each maturity category. As each of the bonds rolls down the curve, new longer maturities are added. The Bloomberg 30-Year Canadian Corporate A-rated curve is derived similarly (C28730Y).

## **Moody's Long-Term Corporate Bond Yield Index:**

Moody's Long-Term Corporate Bond Yield Averages are derived from pricing data on a regularly replenished population of corporate bonds in the U.S. market. Each with current outstandings over \$100 million. The bonds have maturities as close as possible to 30 years: they are dropped from the list if their remaining life falls below 20 years. if they are susceptible to redemption. or if their ratings change. All yields are yield-to- maturity calculated on a semi-annual basis. Each observation is an unweighted average. with Average Corporate yields representing the unweighted average of the corresponding Average Industrial and Average Public Utility observations. Note: Yields are released by Moody's on a one-day lag basis and are available for the previous day at approximately 11 am NY time the following day. Monthly values for are an average of the daily values for the corresponding month and weekly values are averages for the daily yields of the corresponding week.

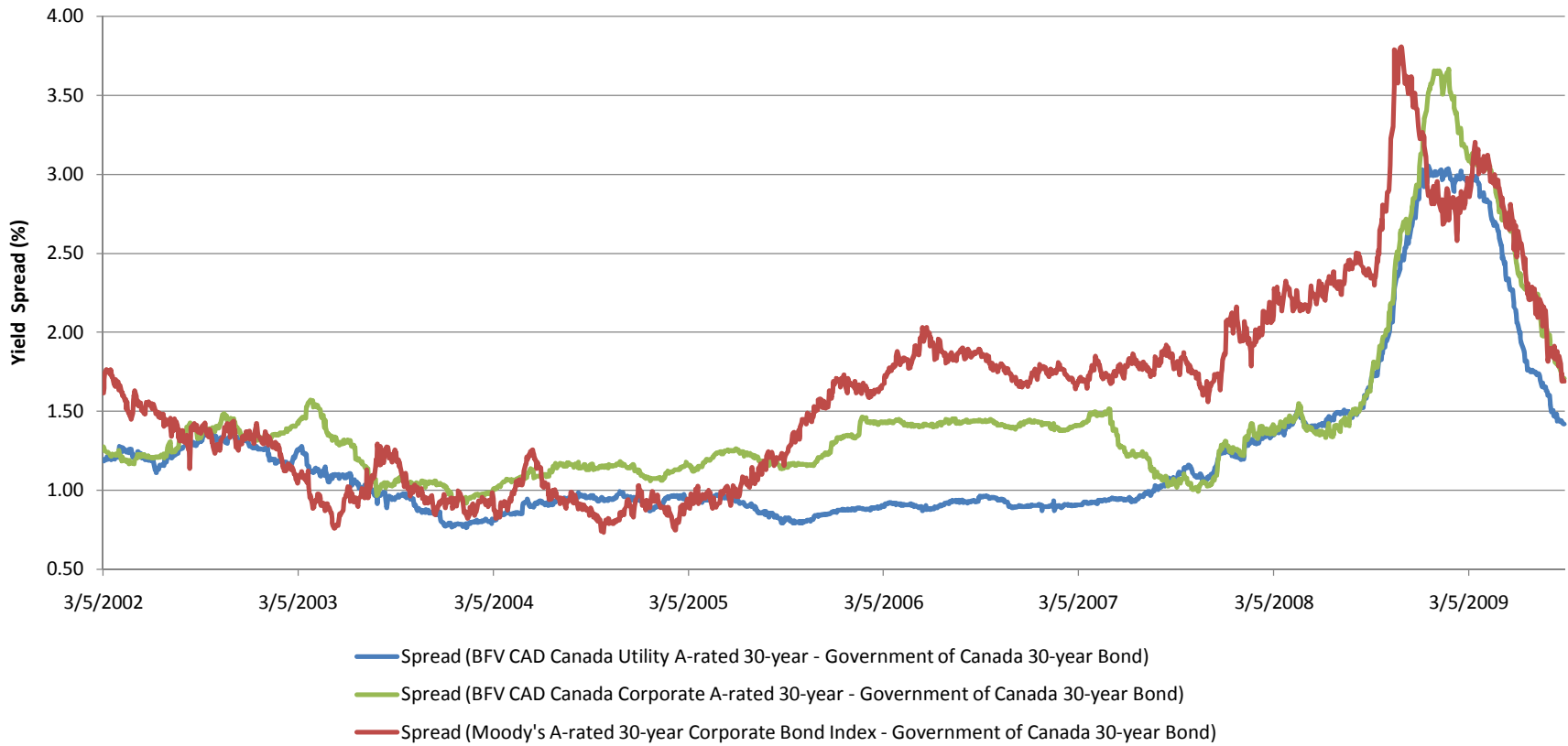
### Comparison of Moody's Corporate A Bond Yield to Bloomberg Canadian Corporate A-Rated and Bloomberg Canadian Utility A-Rated Bond Yield and Government of Canada 30-Year Long Bond



Source: Bloomberg

Above, we've plotted a comparison of the daily yield observations for Bloomberg Canadian Utility Index to both the Moody's Corporate A-rated index and the Bloomberg Canadian Corporate A-rated index, as well as the 30-year Government of Canada long bond yield for the period from March 5, 2002 through August 31, 2009.

### Comparison of Credit Spreads for Moody's Corporate A-Rated, Bloomberg Canadian Corporate A-rated and Bloomberg Canadian Utility A-Rated over 30-Year Government of Canada Long Bonds



Calculation of Credit Spread = Corporate Bond Yield - Long Canada Government Bond Yield

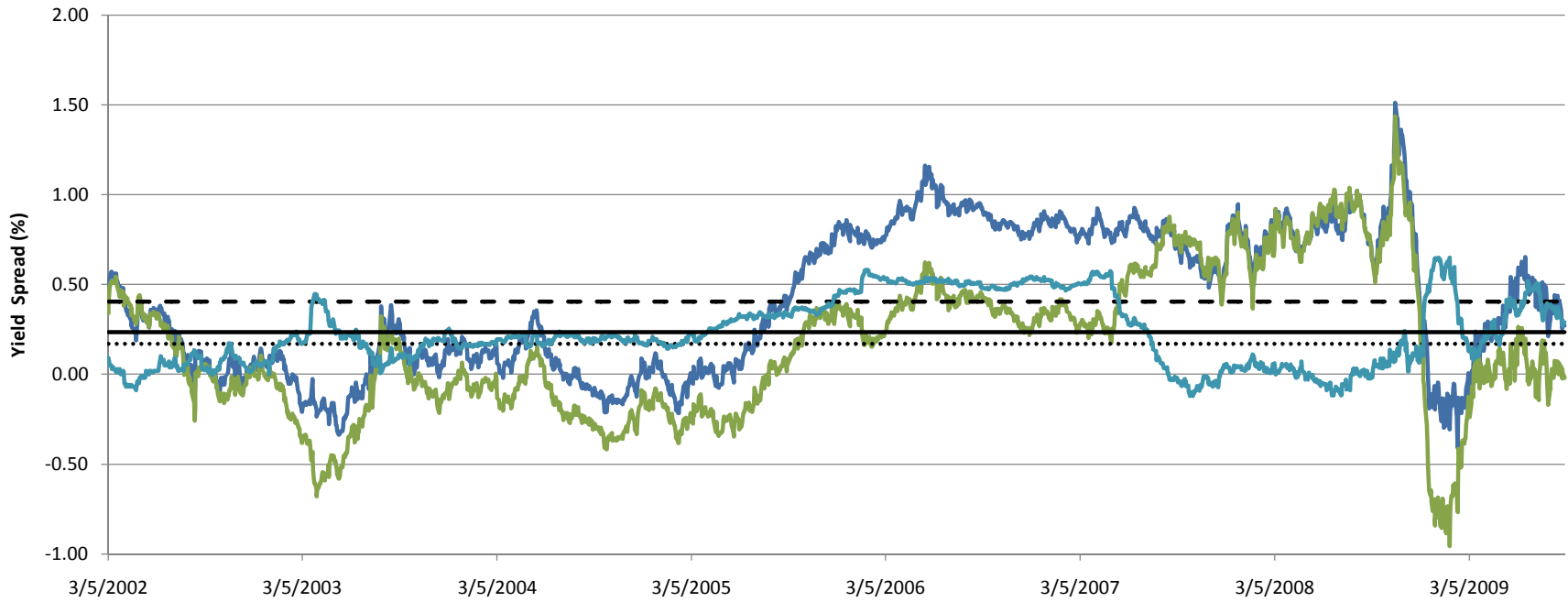
**Average Daily Spreads 3/5/2002 - 8/31/2009:**

Moody's Corporate A-rated 30-year Bond Yield Over Canada Long Bond = 162 basis points

Bloomberg Canadian A-rated 30-year Utility Bond Index over Canada Long Bond = 122 basis points

Bloomberg Canadian A-rated 30-year Corporate Bond Index over Canada Long Bond = 145 basis points

## Difference between Credit Spreads for Moody's Corporate A-rated, Bloomberg Canadian Corporate A-rated and Bloomberg Canadian Utility A-rated over 30-Year Government of Canada Long Bonds



- Difference in Spreads (Moody's Corporate A-rated - Bloomberg Canadian Utility A-rated)
- Difference in Spreads (Moody's Corporate A-rated - Bloomberg Canadian Corporate A-rated)
- - Average Difference between Moody's Corporate A-rated and Bloomberg Canadian Utility A-rated Spreads (0.405%)
- ..... Average Difference between Moody's Corporate A-rated and Bloomberg Corporate A-rated Spreads (0.171%)
- Difference in Spreads (Bloomberg Canadian Corporate A-rated and Bloomberg Canadian Utility A-rated)
- Average Difference between Bloomberg Corporate A-rated Spreads and Bloomberg Canadian Utility A-rated (0.234%)