

- 1 **Q. Coyne Evidence: If Mr. Coyne finds that the factors he uses to support growing**  
2 **market integration between Canada and the US exist as well between Canada and**  
3 **these other developed countries, can he think of any reason why data from these**  
4 **other countries is not as useful as US data? (page 15)**  
5
- 6 A. Mr. Coyne did not consider that information in the development of his cost of capital  
7 recommendation for Newfoundland Power. However, if there are publicly traded utility  
8 holding companies in other countries that meet Mr. Coyne's stated screening criteria for  
9 inclusion in the proxy group (that is, the companies have comparable business, financial  
10 and regulatory risk as Newfoundland Power), he does not see any reason why such data  
11 could not be considered. He is not aware, however, of any North American utility  
12 regulator that relies on companies drawn from overseas samples for determining the cost  
13 of capital.