

1 **Q. Coyne Evidence: Mr. Coyne references the Regie in support of using US ROE**
2 **estimates. Is he aware that the Regie stated in its 2009 Gaz Metro decision (page**
3 **295):**
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5 *“The evidence therefore does not make it possible to conclude that the*
6 *regulatory, institutional, economic and financial contexts of the two*
7 *countries and their impacts on the resulting opportunities for investors*
8 *are comparable.”*
9

10 **Does Mr Coyne regard this explicit statement as supporting his use of US evidence**
11 **without adjustments?**
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13 **A.** No. Mr. Coyne does not accept that the cited quote represents the Regie’s ultimate
14 position with respect to the usefulness of U.S. data to an ROE analysis. Mr. Coyne cited
15 paragraph 249, as indicated in his footnote 21, where the Régie indicated in the same Gaz
16 Metro decision that it weighted Canadian and U.S. evidence equally:
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18 “[249] With respect to the weighting of Canadian and U.S. data to be used
19 in estimating the market risk premium, the Régie, in decision D-99-150,
20 established a weight of 60% for Canadian data and 40% for U.S. data.
21 Based on the evidence of this case, the Régie bases its estimate of the
22 market risk premium using equal portions of Canadian and U.S. data. It
23 considers that the opening of markets offers investors various investment
24 options that it is necessary to reflect the situation in establishing a
25 reasonable rate of return. It also justifies greater consideration of U.S.
26 data because of the increasing integration of the two economies.”¹

¹ English translation of Régie de l’Energie, Decision 2009-156 (R-3690-2009), Gaz Metro, December 7, 2009, at paragraph [249].