

1 **Q. Coyne Evidence: Mr. Coyne claims that analyst growth rates are no longer**
2 **biased high due to the optimism bias (page 22-23). For each of the firms in his US**
3 **and Canadian samples please provide the dividend, earnings and book value per**
4 **share for each year since 1990. From that data please compare the average and**
5 **compound growth rates for each with the growth rate in Canadian and US GDP as**
6 **appropriate. Is it Mr. Coyne’s judgement that these firms on average have grown**
7 **faster or slower than their respective economy’s GDP growth rate?**
8

9 A. Please see Attachment A, for Value Line data for each company in Mr. Coyne’s U.S. and
10 Canadian proxy groups for each year from 2005 through 2014.

11
12 As shown in the attachment, the earnings, dividends and book value per share for the
13 companies in the U.S. proxy group have grown at rates equal to or greater than U.S.
14 nominal GDP growth over this period. The same is true for earnings, dividends and book
15 value per share for Enbridge Inc. (the only company in my Canadian proxy group
16 covered by Value Line) as compared to Canadian nominal GDP growth over this period.

Value Line Data

		Value Line										CAGR	AAGR
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
US Proxy Group													
ALLETE, Inc.													
	Earnings per sh	2.48	2.77	3.08	2.82	1.89	2.19	2.65	2.58	2.63	2.90	1.75%	3.10%
	Div'ds Decl'd per sh	1.25	1.45	1.64	1.72	1.76	1.76	1.78	1.84	1.90	1.96	5.12%	5.25%
	Book Value per sh	20.03	21.90	24.11	25.37	26.41	27.26	28.78	30.48	32.44	35.06	6.42%	6.44%
Duke Energy													
	Earnings per sh		2.76	3.60	3.03	3.39	4.02	4.14	3.71	3.98	4.13	5.17%	6.09%
	Div'ds Decl'd per sh			2.58	2.70	2.82	2.91	2.97	3.03	3.09	3.15	2.89%	2.90%
	Book Value per sh		62.30	50.40	49.51	49.85	50.84	51.14	58.04	58.54	57.81	-0.93%	-0.56%
Eversource Energy													
	Earnings per sh	0.98	0.82	1.59	1.86	1.91	2.10	2.22	1.89	2.49	2.58	11.36%	14.82%
	Div'ds Decl'd per sh	0.68	0.73	0.78	0.83	0.95	1.03	1.10	1.32	1.47	1.57	9.74%	9.83%
	Book Value per sh	18.46	18.14	18.65	19.38	20.37	21.60	22.65	29.41	30.49	31.47	6.11%	6.41%
Great Plains Energy													
	Earnings per sh	2.18	1.62	1.86	1.16	1.03	1.53	1.25	1.35	1.62	1.57	-3.58%	-0.51%
	Div'ds Decl'd per sh	1.66	1.66	1.66	1.66	0.83	0.83	0.84	0.86	0.88	0.94	-6.12%	-4.14%
	Book Value per sh	16.37	16.70	18.18	21.39	20.62	21.26	21.74	21.75	22.58	23.26	3.98%	4.13%
OG&E Corp													
	Earnings per sh	0.92	1.23	1.32	1.25	1.33	1.50	1.73	1.79	1.94	1.98	8.89%	9.35%
	Div'ds Decl'd per sh	0.67	0.67	0.68	0.70	0.71	0.73	0.76	0.80	0.85	0.95	3.96%	4.01%
	Book Value per sh	7.59	8.79	9.16	10.14	10.52	11.73	13.06	14.00	15.30	16.27	8.84%	8.90%
Pinnacle West Capital													
	Earnings per sh	2.24	3.17	2.96	2.12	2.26	3.08	2.99	3.50	3.66	3.58	5.35%	7.32%
	Div'ds Decl'd per sh	1.93	2.03	2.10	2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.11%	2.64%
	Book Value per sh	34.57	34.48	35.15	34.16	32.69	33.86	34.98	36.20	38.07	39.50	1.49%	1.54%
Westar													
	Earnings per sh	1.55	1.88	1.84	1.31	1.28	1.80	1.79	2.15	2.27	2.35	4.73%	6.37%
	Div'ds Decl'd per sh	0.92	0.98	1.08	1.16	1.20	1.24	1.28	1.32	1.36	1.40	4.78%	4.80%
	Book Value per sh	16.31	17.62	19.14	20.18	20.59	21.25	22.03	22.89	23.88	25.02	4.87%	4.89%
US Proxy Group													
	Earnings per sh											4.81%	6.65%
	Div'ds Decl'd per sh											3.21%	3.61%
	Book Value per sh											4.40%	4.54%
U.S. Nominal GDP Growth		6.7%	5.8%	4.5%	1.7%	-2.0%	3.8%	3.7%	4.2%	3.7%	3.9%		3.60%
Canada Proxy Group													
Canadian Utilities Limited													
	Earnings per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Div'ds Decl'd per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Book Value per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emera Inc.													
	Earnings per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Div'ds Decl'd per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Book Value per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enbridge Inc.													
	Earnings per sh	0.82	0.90	0.98	1.06	1.18	1.33	1.48	1.62	1.78	1.90	9.79%	9.80%
	Div'ds Decl'd per sh	0.52	0.58	0.62	0.66	0.74	0.85	0.98	1.13	1.26	1.40	11.63%	11.68%
	Book Value per sh	5.94	6.38	6.99	8.70	9.44	10.05	10.37	8.80	10.37	12.39	8.51%	9.08%
Valener Inc.													
	Earnings per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Div'ds Decl'd per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Book Value per sh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Canada Nominal GDP Growth		5.4%	5.7%	5.9%	5.3%	1.7%	4.6%	4.6%	3.1%	3.7%	3.8%		4.38%

Source:
Value Line as of 12.7.15

	Nominal	
	Canada [1]	U.S. [2]
2005	5.4	6.7
2006	5.7	5.8
2007	5.9	4.5
2008	5.3	1.7
2009	1.7	-2.0
2010	4.6	3.8
2011	4.6	3.7
2012	3.1	4.1
2013	3.7	3.1
2014	3.8	4.1

[1] Statistics Canada: Table 384-0038: Gross domestic product, expenditure-based, current prices (Percent change (year to year))

[2] U.S. Department of Commerce Bureau of Economic Analysis: Gross Domestic Product: Annual percent change from preceding period: based on current dollars