

- 1 **Q. Coyne Evidence: Is Mr. Coyne aware that this Board at one point used the**
2 **current, as distinct, from the forecast long Canada yield, in its risk premium**
3 **assessment based largely on this observation stated in the previous Request for**
4 **Information?**
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- 6 A. Mr. Coyne is aware that in P.U. 13(2013), the Board used a risk-free rate of 3.80 percent,
7 which was the forecasted long Canada bond yield of 3.0 percent plus an adjustment of 80
8 basis points to take into account the abnormally low interest rate environment. Mr.
9 Coyne is also aware that in P.U. 43(2009), the Board used a risk-free rate of 4.50 percent,
10 which was within the range of the three experts, but did not specify the source of this risk
11 free rate. The Consumer Advocate witness in that proceeding (Dr. Booth) indicated that
12 the risk-free rate was “not an area of concern.”