Q. Coyne Evidence: Please indicate when in Mr. Coyne's judgement the average beta for a Canadian regulated utility was equal to 1.0.

A. First, the beta coefficient is not a matter of judgment; rather, it is a measure of the risk of a given security relative to the market. Beta is calculated using the formula shown on page 26 of Concentric's report. With regard to the specific question, Mr. Coyne discusses the reasons for adjusting beta to reflect its tendency to revert to the market average of 1.0 over time.