

1 **Q. Coyne Evidence, p. 16 – Second Proxy Group: What were the characteristics or**
2 **features of Edison International and ITC Holdings Corp. that made them**
3 **incomparable to Newfoundland Power in terms of business and financial risk?**
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5 A. On November 1, 2012, Edison International announced that Edison Mission Electric
6 (EME), its competitive power generation segment, would not be able to repay \$500
7 million in bonds that were to mature in June 2013. In December 2012, EME filed for
8 bankruptcy protection under Chapter 11 of the U.S. bankruptcy code. In March 2014, the
9 Bankruptcy Court approved the plan of reorganization for EME; however, payments to
10 creditors will continue through 2016.¹ Due to the ongoing bankruptcy proceeding of
11 EME, it is not reasonable to include Edison International in the proxy group at this time.

12 ITC Holdings Corp. is purely an electric transmission company in the U.S. and is not
13 engaged in the distribution of electricity to end-use customers. On that basis, ITC is not
14 comparable to Newfoundland Power and was not included in the U.S. Electric proxy
15 group.

¹ United States Bankruptcy Court, Northern District of Illinois, Eastern Division, Case No. 12-49219 (JPC), decision entered February 19, 2014, at 2. See also Edison International 2014 SEC Form 10-K, p. 9.