

1 **Q. Reference: PUB-NP-056 and PUB-NP-057**

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3 **Mr. Coyne obtains DCF growth estimates in JMC-3 for the U.S., Canadian and**
4 **North American proxy groups of 5.32%, 8.03% and 5.28% respectively. Please**
5 **verify that the growth estimates for the proxy groups all far exceed the expected**
6 **nominal GDP growth estimates provided by Mr. Coyne for Canada and the U.S. of**
7 **3.94% and 4.55% respectively.**

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9 **A.** Mr. Coyne agrees that the average EPS growth rate for the Canadian proxy group
10 (consisting of only four companies, two of which have no electric utility operations) is
11 higher than the projected GDP growth rate estimate for Canada. Mr. Coyne has mitigated
12 that effect by also considering the results of his multi-stage DCF analysis and CAPM
13 analysis for the Canadian proxy group. Mr. Coyne does not agree that the EPS growth
14 rates for the U.S. and North American proxy groups far exceed the projected GDP growth
15 rate for the U.S. Nevertheless, Mr. Coyne has also used the results of his multi-stage
16 DCF analysis and CAPM analysis for the U.S. and North American proxy groups.