

1 **Q. Reference: CA-NP-100**

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3 **Please confirm that the Canadian MRP estimate of 9.8% provided by Mr. Coyne on**
4 **page 29 of his evidence, when combined with the risk-free rate of 3.68% that is**
5 **estimated by Mr. Coyne on page 27 of his evidence, results in an estimate for the**
6 **long-term return on the Canadian stock market of 13.48%.**

7

8 A. As shown on Exhibit JMC-5 of Concentric's report, Mr. Coyne's estimate of the implied
9 total return for the Canadian Stock market is 13.46 percent. The derivation of this total
10 return is based on a market-capitalization weighted Constant Growth DCF analysis for
11 the companies in the TSX Composite Index that have positive earnings growth rates and
12 that pay dividends. Growth rates are based on analysts' 5-year earnings per share growth
13 rates as reported by Bloomberg.