Q. Reference: CA-NP-078, and Page 8 and Exhibit JMC2 of Appendix A of Coyne Evidence

a) Could Mr. Coyne please confirm that if Valener was excluded (as it is from the North American proxy group), then the Canadian proxy group averages (that were originally calculated in JMC-2 for Debt to Capital, EBITDA to Interest Coverage, FFO to Interest Coverage, FFO/Debt and Debt to EBITDA would be, respectively: 64%; 4.12, 4.06, 13.7%, and 5.54?

b) The corresponding numbers for NP, to those reported in a) for the Canadian proxy group excluding Valener, are provided in JMC-2 as: 55%, 4.52, 3.62, 17.5%, and 3.30. Therefore, if Valener was not included in the Canadian proxy group, would the following statement not be more appropriate to say on page 8 of the evidence? "Relative to the Canadian proxy group, NP has much lower debt to capital and Debt/EBITDA ratios, stronger EBITDA/interest coverage, and a stronger (not weaker) FFO/Debt ratio, while its FFO/interest coverage is below the Canadian proxy group average."

A. a) Valener was excluded from the North American proxy group because it is primarily engaged in the natural gas distribution business. Mr. Coyne did not exclude Valener from the Canadian proxy group because, given the small number of publicly-traded utilities in Canada, that would have resulted in a proxy group consisting of only three companies.

b) See response to part a) above.