

- 1 **Q. Will Mr. Coyne agree that the “statistical” argument he uses on page 43 implies that**
2 **utility betas move toward 1.0 and if so, when he last observed unadjusted Canadian**
3 **betas with a value of 1.0?**
4
- 5 A. Two of the companies in the Canadian and U.S. proxy groups (AltaGas Ltd. in Canada
6 and OGE Energy Corporation in the U.S.) have raw Beta coefficients greater than 1.0.
7 Therefore, as shown in Exhibit JMC-8.1, the Blume adjustment used by Value Line and
8 Bloomberg serves to reduce the raw Beta coefficients for those companies.