

1 **Q. Reference pages 34-37: DCF Estimates: Would Mr. MacDonald regard a 1.0%**  
2 **difference in government borrowing costs as support for identical fundamentals in**  
3 **the U.S. and Canada? If the answer is yes, please explain in detail.**  
4

5 A. The US DCF evidence relates to a comparable proxy group of companies, a 1%  
6 difference in government borrowing costs does not mean that a comparable proxy group  
7 cannot be created. It should be noted that Consensus Economics October 2013  
8 Consensus Forecast estimates that the 10 Year Treasury Bond Yield for both Canada and  
9 the US at the end of October 2013 will be 2.2%. Mr. MacDonald's long bond estimate  
10 has been determined by adding an observed long bond premium of 59bps to the 10 Year  
11 Treasury Bond Yield.