

- 1 **Q. Please confirm that in 2015 Mr. Coyne stated (page 3) that his 9.5% ROE**
2 **recommendation was “just below the average of 9.7% across all three methods,**
3 **centered with the North American range and supported by all other methods and**
4 **proxy groups with the exception of the Canadian CAPM.” In contrast in the**
5 **current hearing (page 3) his recommendation is just below the 10% of his North**
6 **American proxy group. Please explain the change in the reference results for his**
7 **recommendation.**
8
- 9 **A. Mr. Coyne has consistently indicated in his reports in 2015, 2018 and 2021 that he views**
10 **the North American proxy group and the U.S. Electric proxy group as being more**
11 **comparable in risk to Newfoundland Power. His ROE recommendation has been based**
12 **primarily on the average results for the North American and U.S. Electric proxy groups,**
13 **while also considering the average results for the Canadian proxy group. Mr. Coyne does**
14 **not perceive the approach taken in 2021 as being any different than the method he used in**
15 **prior years to establish his range of results and his ultimate ROE recommendation for**
16 **Newfoundland Power.**