

- 1 **Q. In terms of Mr. Coyne’s Canadian sample can he discuss AltaGas’s exposure to**
2 **electricity earnings and whether its utility operations are in the US or Canada? For**
3 **how long has Mr. Coyne been including Alta Gas in his Canadian sample? Please**
4 **indicate whether the AltaGas in this sample is the same AltaGas covered in previous**
5 **decisions by the Alberta Utilities Commission.**
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- 7 A. According to AltaGas’ 2020 annual report, it doesn’t have any exposure to electric utility
8 operations. AltaGas has a midstream gas business in Canada that accounts for
9 approximately 1/3 of its operating income and a regulated gas distribution business in the
10 U.S., which accounts for 2/3 of its operating income. Mr. Coyne has been using AltaGas
11 in his Canadian proxy group since there has been sufficient market data and analyst
12 coverage, and since the acquisition of WGL Holdings was completed in July 2018.
13 AltaGas is not included in Mr. Coyne’s North American Electric proxy group, which is
14 the group he has relied on to support his recommendation for Newfoundland Power, and
15 which has an average ROE estimate of 10.0%. AltaGas was covered by the previous
16 Alberta Utilities Commission decisions, but the company has divested its regulated gas
17 utility in Alberta.