

- 1 **Q. Please discuss whether Mr. Coyne judges there to be a survivorship bias in reducing**
2 **his US sample to 9 firms from the Value Line sample of 36 in the sense that mergers**
3 **and acquisitions can enhance earnings per share growth rates for the holding**
4 **companies above the organic growth rate of the underlying regulated utilities. If Mr.**
5 **Coyne disagrees with this possibility, please provide the number of acquisitions**
6 **made by each of the surviving 9 utilities in his sample over the last 10 years and**
7 **whether there were any statements about “earnings accretion” attached to the**
8 **merger or acquisition.**
9
- 10 A. Mr. Coyne does not agree that screening to 9 companies is indicative of survivorship
11 bias. It is the result of his screens applied to the Value Line universe of potential electric
12 utility holding companies. In his 2018 report, he screened from a group of 40 companies
13 and 10 passed that screen. He does not believe the remaining group is a “biased” group,
14 and it would form investor expectations for potential returns in the sector.