

- 1 **Q. In the Table on page 39, the multi-stage DCF estimates are all lower than the**  
2 **constant growth estimates, can Mr. Coyne confirm that this is solely because the**  
3 **short run growth estimates exceed the long run GDP forecast. Please explain why**  
4 **this is not the case if he disagrees.**  
5
- 6 A. On average this is true, but not universally. Several of the companies in Mr. Coyne’s  
7 three proxy groups have short-term growth rates that are lower than the long-term GDP  
8 forecast. In particular, these companies are: Hydro One Ltd. in the Canadian proxy  
9 group, and Exelon Corporation, OGE Energy Corporation and Pinnacle West Capital  
10 Corporation in the U.S. Electric proxy group. In the case of these companies, the Multi-  
11 Stage DCF estimates are higher than the Constant Growth DCF results.