

1 **Reference: Volume 3, Cost of Capital Report by James Coyne**  
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3 **Q. Volume 3, Cost of Capital Report by James Coyne, page 80. Please confirm that it is**  
4 **Mr. Coyne’s opinion that the only reason for the continued suspension of the**  
5 **automatic adjustment formula is the current state of financial markets and the**  
6 **unusually low risk-free rate.**  
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8 A. As indicated on pages 79-80 of Concentric’s report, Mr. Coyne agrees with the Board’s  
9 previous decisions in 2016 and 2019 that the automatic adjustment formula should  
10 continue to be suspended due to the low interest rate environment for government bonds,  
11 and the previous experience with formulas that produced unreliable results amid  
12 fluctuating capital market conditions.