

1 **Volume 2: Cost of Capital: Expert Opinion of James Coyne- Capital Structure and Risk**  
 2 **Profile**

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 4 **Q. For the Canadian companies in JMC-4 there are no growth forecasts for many of**  
 5 **the firms. For the 6 firms, Zacks has two forecasts, SNL 5, Value Line 2 and First**  
 6 **Call all six. For each of these forecasts can C&T list the number of analysts who**  
 7 **provided the estimates and confirm that the analysts polled were based in the US**  
 8 **and generally not the Canadian market? Given that Value Line forecasts double**  
 9 **digit growth for Emera and Enbridge with others having low single digit growth, is**  
 10 **C&T's judgment that these estimates are widely available in the market and can be**  
 11 **relied on by the Board?**

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 13 A. Table 1 shows the number of analysts providing projected earnings growth rates for each  
 14 of the companies in the Canadian proxy group, based on information from Thomson First  
 15 Call. Concentric has also provided the firms covering each company, to the extent that  
 16 information is publicly available. Concentric does not agree that the analysts polled are  
 17 mainly based in the U.S. not the Canadian market. As shown, there is coverage of  
 18 companies in the Canadian proxy group by securities analysts in both Canada and the  
 19 U.S.

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 21 Value Line growth rates for Emera and Enbridge are averaged with growth rates from  
 22 other consensus sources. The average short-term growth rate for Emera is 6.86%, and for  
 23 Enbridge is 5.22%, as shown in Exhibit JMC-4. Concentric has relied on the multi-stage  
 24 DCF analysis, shown in Exhibit JMC-5, for the North American proxy group, not the  
 25 constant growth DCF analysis for the Canadian proxy group.

**Table 1:**

<b>Company</b>	<b># of Analysts</b>	<b>Coverage</b>
Algonquin Power and Utilities Corp.	9	BMO Capital; RBC Capital; Credit Suisse; CIBC; Bank of America; Desjardins; Well Fargo; TD Securities; Morgan Stanley
AltaGas Inc.	15	ATB Capital; Bank of America; Beacon Securities; BMO Capital; Cannacord; CIBC; Credit Suisse; Industrial Alliance; JP Morgan; National Bank; Peters & Co.; Raymond James; RBC Capital; Scotia Bank; TD Securities
Canadian Utilities Limited	6	BMO Capital; CIBC; National Bank Fin'l; RBC Capital; Scotia Bank; TD Securities
Emera Inc.	14	BMO Capital; CIBC; Credit Suisse; Industrial Alliance; National Bank Fin'l; Raymond James; RBC Capital; Scotia Capital; TD Securities; Bank of America; JP Morgan; UBS; Wells Fargo; Wolf Research
Enbridge Inc.	8	Barclay's; Wolf Research; National Bank Fin'l; CIBC; TD Securities; RBC Capital; Credit Suisse; Scotia Capital
Hydro One, Ltd.	12	Bank of America; BMO Capital; CIBC; Laurentian Bank; Morningstar; National Bank Fin'l; Raymond James; RBC Capital; Scotia Capital; TD Securities; Veritas Investment; Wells Fargo