

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

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 4 **Q. Please confirm that C&T's betas are based on weekly data and that such estimates**
 5 **are often regarded as biased due to thin-trading problems. Please indicate whether**
 6 **C&T are aware of any published academic research that analyzes this**
 7 **“intervalling” effect that for relatively high valued firms like utilities the betas are**
 8 **biased high the shorter the interval they are estimated over, for example, weekly,**
 9 **rather than monthly.**

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 11 A. Concentric confirms that the Beta coefficients from Bloomberg and Value Line are based
 12 on weekly data. However, Concentric does not regard such estimates as biased due to low
 13 volume trading. The companies in Concentric's Canadian, U.S. Electric, and North
 14 American Electric proxy groups are large electric and gas utilities with substantial trading
 15 volume on a daily basis. There is no lack of liquidity for investors in the shares of these
 16 companies. The tables below provide the average daily trading volume in shares for the
 17 companies in Concentric's Canadian and U.S. proxy groups, based on data from Yahoo
 18 Finance as of February 18, 2024.

Canadian Proxy Group

Company	Ticker	Volume
Algonquin Power and Utilities Corp.	AQN	3,910,175
AltaGas Inc.	ALA	674,496
Canadian Utilities Limited	CU	485,338
Emera, Inc.	EMA	1,080,145
Enbridge, Inc.	ENB	5,547,767
Hydro One, Ltd.	H	918,858

U.S. Electric Proxy Group

Company	Ticker	Volume
Alliant Energy Corp.	LNT	1,963,352
American Electric Power Company	AEP	3,578,288
Duke Energy Corporation	DUK	3,258,218
Entergy Corporation	ETR	1,392,470
Evergy Inc.	EVRG	2,985,295
Eversource Energy	ES	3,143,431
NextEra Energy, Inc.	NEE	10,883,775
OGE Energy Corporation	OGE	1,443,050
Pinnacle West Capital Corp.	PNW	1,157,642
Portland General Electric Company	POR	1,009,527

19 Concentric is not aware of any academic research that demonstrates interval bias in utility
 20 beta estimates.