

- 1 **Q. On page 22 Mr. Coyne graphs the *level* of the TSX utility index against the long**
2 **Canada bond *yield*. If Mr. Coyne agrees that security prices vary inversely with**
3 **required rates of return which for government bonds is the yield, why would he**
4 **graph a level against a yield, in other words doesn't it simply show this inverse**
5 **relationship? Please run a simple linear regression of the return on the TSX utility**
6 **index against the return on the long Canada bond and report the full results, that is**
7 **coefficient estimates, T. statistics, adjusted R Square etc.**
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- 9 A. Mr. Coyne has also presented Figure 13 on page 23 of Concentric's report, which
10 compares the dividend yield for the TSX Utilities Index and the 10 year government of
11 Canada ("GOC") bond yield. This analysis demonstrates that the spread between the
12 dividend yield for the TSX Utilities Index and the 10 year GOC bond yield was 3.36
13 percent from April 2020 through March 2021 compared to the long-term historical spread
14 of 2.19 percent from January 2006 through March 2021. Mr. Coyne has not run the
15 requested regression analysis.