

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

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- 4 **Q. On page 24 Mr. Coyne reports the State Street investor confidence index.**
5 **a) Why is this relevant to Canada or Newfoundland and Labrador?**
6 **b) Is Mr. Coyne aware of any Canadian measures of business or financial**
7 **confidence that might be more relevant to Canada?**
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- 9 A. a) Concentric presents information in Figure 15 of Volume 2, *Concentric Cost of*
10 *Capital* report, on U.S. investor confidence (the State Street index) because shares of
11 Canadian utility companies are owned by investors in both Canada and the U.S.
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- 13 b) Concentric presents evidence on Canadian business confidence in Figure 16 of
14 Volume 2, *Concentric Cost of Capital* report. Both the U.S. and Canadian indexes are
15 relevant to investors in North American utility companies. The capital markets and
16 economies of the two countries are highly integrated.