

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

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4 **Q. Please provide a listing of all countries with the same ranking as Canada and the US**  
5 **in Figure 17 and whether on this basis Mr. Coyne would regard their capital market**  
6 **data as of equivalent value to the US data in assessing the fair rate of return for a**  
7 **Canadian utility.**

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9 A. The country risk rankings in Figure 17 of Concentric’s *Cost of Capital* report, Volume 2,  
10 are taken from an August 2021 report by the Economist Intelligence Unit (“EIU”). The  
11 report breaks down the rankings by region.

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13 The following countries in each region have an overall risk ranking of “A”.

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15 • Americas: Canada, United States of America  
16 • Asia/Australia: Australia, Hong Kong, New Zealand, Singapore, South Korea,  
17 Taiwan  
18 • Europe: Austria, Estonia, Finland, Germany, Luxembourg, Netherlands  
19 • Middle East/North Africa: none  
20 • Sub-Saharan Africa: none

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22 Concentric’s *Cost of Capital* report presents the EIU rankings as evidence that the  
23 country risk and business climate for the U.S. and Canada are very similar. In order to  
24 use market data from other countries in assessing the fair rate of return for a Canadian  
25 utility, it would also be necessary to consider additional factors, including the level of  
26 trade between the other country and Canada, the degree that markets and economies in  
27 the other country and Canada are integrated, the similarity of the regulatory and business  
28 environment for regulated public utilities in the other country as compared to Canada,  
29 and the degree to which utility companies invest, raise capital, and face comparable  
30 business risks.