

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 the Value Line book value per share, dividends per share and**
5 **earnings per share for each of the utilities in Value Line’s electricity sample and**
6 **indicate whether any of the excluded firms have previously been used by Mr. Coyne**
7 **(or any Concentric witness) in a proxy sample.**

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9 A. See the response to Request for Information CA-NP-192 for the requested Value Line
10 summary sheets for each of the companies classified by Value Line as an Electric utility.

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12 The purpose of screening a proxy group is to identify companies with similar business
13 and financial risk characteristics as the company being evaluated. The companies selected
14 for inclusion in a proxy group depend on the screening criteria used by the person
15 conducting the analysis, as well as on other factors such as whether a company is
16 engaged in a merger or other transformative transaction, whether a company has growth
17 rate data from more than one source, the percentage of operating income or revenue
18 derived from regulated operations in a particular time period, the credit ratings for the
19 company, etc. All of these factors can cause companies to move in and out of a proxy
20 group over time.