

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

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4 **Q. Can C&T confirm that if short-run growth forecasts cannot be relied on then**  
5 **mixing them with a long run growth rate in a multi-stage estimate reduces the bias,**  
6 **but cannot remove it? If C&T disagrees with this conclusion, please explain why in**  
7 **detail.**

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9 A. If the short-term growth rates were “biased” either up or down, then Concentric  
10 would agree. Concentric has demonstrated in Figure 22 on page 38 of its report,  
11 Volume 2, that the analyst forecasts it relies on are conservative, on the low side,  
12 compared to the actual history for the companies in the proxy group (see the  
13 response to Request for Information CA-NP-200), and has relied on GDP growth  
14 in the long-term. Both of these factors should alleviate any concern for any potential  
15 analyst bias.