

1 **Q. Evidence of Dr. Vander Weide: Fair rate of return standard Pages 6-10: Would Dr.**  
2 **Vander Weide accept that the passage on page 10 that refers to Mr. Justice**  
3 **Lamont’s definition of a fair return specifically refers to a return on “securities” of**  
4 **equivalent risk and not the book value of a company?**  
5

6 A. Dr. Vander Weide recognizes that Mr. Justice Lamont’s definition of a fair return refers  
7 to a return on “securities” of equivalent risk and that the return on securities is based on  
8 the market value of the securities. However, Dr. Vander Weide also recognizes that  
9 investors will not have an opportunity to earn a fair return on the market value of their  
10 utility securities if an estimate of the required return on market value is applied to the  
11 book value of the utility’s equity.