

1 **Q. Evidence of Dr. Vander Weide: ROE formula Pages 14-17: Can Dr. Vander Weide**
2 **point out any other objective data point (ie, for example read from the newspaper)**
3 **as to the expected rate of return on a long run security in the capital market.**
4

5 A. Dr. Vander Weide believes that there is no objective evidence on the expected rate of
6 return on utility equities in the capital market. Because the expected rate of return
7 involves investors' expectations for the future, the expected rate of return can only be
8 estimated.