

1 **Q. Evidence of Dr. Vander Weide: Experienced “risk premia” Pages 19-23: Would Dr.**
2 **Vander Weide accept that long term interest rates in Canada peaked in 1981 and**
3 **since then have declined to the current 2.7% level causing significant unexpected**
4 **capital gains for all interest sensitive investments?**
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6 A. Dr. Vander Weide accepts that long-term interest rates in Canada were high in 1981 and
7 are now significantly lower. For the reasons explained in response to CA NP 153, Dr.
8 Vander Weide does not accept that these changes in interest rates, alone, caused
9 “significant unexpected capital gains” for utility stocks.