

1 **Q. Evidence of Dr. Vander Weide: US DCF risk premia, Pages 26-30: In Dr. Vander**
2 **Weide's judgment does the data in CA-NP-169 above indicate that dividends are**
3 **changed once a year or on a quarterly basis?**
4

5 A. Dividends for U.S. utilities are generally paid quarterly and changed once a year. Dr.
6 Vander Weide notes that the frequency of change in the amount of dividend payments
7 does not affect whether a quarterly or an annual DCF model should be used to calculate
8 the DCF-based risk premium because the price in the DCF model reflects both the timing
9 and the amounts of dividend payments, not the frequency of change in the amount of
10 dividend payment.