

1 **Q. Evidence of Dr. Vander Weide: Is the business risk of a U.S. electric utility and a**
2 **U.S. natural gas utility the same? Why or why not?.**

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4 A. The business risk of a U.S. natural gas utility is currently slightly less than the business
5 risk of U.S. electric utilities because many electric utilities are increasing their capital
6 expenditures to meet demand growth and satisfy environmental requirements. I note that
7 in terms of authorized returns on equity in the United States, in 2011 authorized ROEs
8 have been approximately 20 basis points less for natural gas utilities than for electric
9 utilities.