

1 **Q. Vander Weide Evidence (page 14, lines 8-11) - Dr. Vander Weide states that he**
2 **adjusted the cost of equity results for his comparable groups to reflect the possible**
3 **differences between the risk of the comparable group and the risk of Newfoundland**
4 **Power. Please fully explain what specific adjustments were made and how these**
5 **adjustments impacted Dr. Vander Weide's conclusion on Newfoundland Power's**
6 **cost of equity.**

7
8 A. Because Dr. Vander Weide does not find the possible differences in risk between his
9 comparable groups and Newfoundland Power to be significant, he does not believe it is
10 necessary to make any adjustments to his cost of equity results.