

1 **Q. Vander Weide Evidence – In Dr. Vander Weide March 2012 evidence for**
2 **Newfoundland Power, he stated at p. 12 of 106 as follows:**

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4 **“Q. 31 Does regulation create uncertainty for electric utilities?**

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6 **A. 31 Yes. Investors’ perceptions of the business and financial risks of electric**
7 **utilities are strongly influenced by their views of the quality of regulation. Investors**
8 **are painfully aware that regulators in some jurisdictions have been unwilling at**
9 **times to set rates that allow companies an opportunity to recover their cost of**
10 **service in a timely manner and earn a fair and reasonable return on investment. As**
11 **a result of the perceived increase in regulatory risk, investors will demand a higher**
12 **rate of return for electric utilities operating in those jurisdictions. On the other**
13 **hand, if investors perceive that regulators will provide a reasonable opportunity for**
14 **the company to maintain its financial integrity and earn a fair rate of return on its**
15 **investment, investors will view regulatory risk as minimal.”**

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17 **Please confirm how long either this exact answer or comment (or one practically**
18 **identical) has been made by Dr. Vander Weide in each case he has provided cost of**
19 **capital evidence elsewhere.**

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21 **A. Dr. Vander Weide cannot determine in which cases he has made this exact answer or**
22 **comment because he does not maintain records of his testimony in every case.**