

Q. Vander Weide Evidence – What are the five most supportive regulatory jurisdictions in the U.S. and what are the current allowed returns on equity for electric utilities in these jurisdictions?

A. According to Regulatory Research Associates, SNL Financial, the most supportive regulatory jurisdictions in the U.S. include Alabama, Indiana, Iowa, Mississippi, North Carolina, Virginia, and Wisconsin (listed in alphabetical order). Decisions in which an allowed return on equity has been found in 2012 are shown in the following table.

TABLE 1
ALLOWED RETURNS ON EQUITY FOR ELECTRIC UTILITIES
IN MOST SUPPORTIVE REGULATORY JURISDICTIONS IN 2012

State	Company	Case No.	Date of Order	Return on Equity (%)
Virginia	Appalachian Power Co.	C-PUE-2011-00036	3-Jan-12	11.4
North Carolina	Duke Energy Carolinas LLC	D-E-7, Sub 989	27-Jan-12	10.5
Virginia	Virginia Electric & Power Co.	C-PUE-2011-00042	2-Feb-12	11.4
Virginia	Virginia Electric & Power Co.	C-PUE-2011-00073	16-Mar-12	12.4
Virginia	Virginia Electric & Power Co.	C-PUE-2011-00066	20-Mar-12	11.4
Virginia	Virginia Electric & Power Co.	C-PUE-2011-00067	23-Mar-12	11.4
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-118 (elec)	15-Jun-12	10.4
Wisconsin	Wisconsin Public Service Corp.	D-6690-UR-121 (Elec)	24-Oct-12	10.3

These data along with the data provided in response to CA-NP 202 support the conclusion that allowed ROE is a major determinant of regulatory ranking. That is, companies in jurisdictions with relatively low ROEs are considered by SNL Financial to have low regulatory support and high regulatory risk, whereas companies in jurisdictions with relatively high ROEs are considered by SNL Financial to have high regulatory support and thus low regulatory risk.