

- 1 **Q. Vander Weide Evidence (page 22) - Please state how it is determined that a utility's**
2 **allowed return is less than its required ROE.**
3
- 4 A. Dr. Vander Weide determines whether a utility's allowed ROE is less than its required
5 ROE by estimating the utility's cost of equity. Dr. Vander Weide provides his studies on
6 Newfoundland Power's required ROE in his written evidence filed in this proceeding.