

1 **Q. Vander Weide Evidence (page 22) - To the extent that Dr. Vander Weide believes**
2 **that there have been instances when Newfoundland Power's allowed return was less**
3 **than its "required ROE", does Dr. Vander Weide believe that Newfoundland Power**
4 **has "high regulatory risk"?**
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6 A. Dr. Vander Weide has not studied all instances when Newfoundland Power's allowed
7 return was less than its required return. Rather, Dr. Vander Weide's evidence indicates
8 that Newfoundland Power's allowed ROE is less than its required ROE in March and
9 September 2012. Dr. Vander Weide believes that Newfoundland Power's regulatory risk
10 would be low if the Board were to set the Company's allowed ROE equal to Dr. Vander
11 Weide's recommended ROE.