

1 **Q. Vander Weide Evidence – Dr. Vander Weide also cites a quote from the OEB’s**  
2 **decision of December 11, 2009,**

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4 **“Second, there was a general presumption held by participants representing**  
5 **ratepayer groups in the consultation that Canadian and U.S. utilities are not**  
6 **comparators, due to differences in the “time value of money, the risk value of money**  
7 **and the tax value of money.” In other words, because of these differences, Canadian**  
8 **and U.S. utilities cannot be comparators. The Board disagrees and is of the view**  
9 **that they are indeed comparable, and that only an analytical framework in which to**  
10 **apply judgment and a system of weighting are needed.**

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12 **The Board is of the view that the U.S. is a relevant source for comparable data. The**  
13 **Board often looks to the regulatory policies of State and Federal agencies in the**  
14 **United States for guidance on regulatory issues in the province of Ontario. For**  
15 **example, in recent consultations, the Board has been informed by U.S. regulatory**  
16 **policies relating to low income customer concerns, transmission cost connection**  
17 **responsibility for renewable generation, and productivity factors for 3rd generation**  
18 **incentive ratemaking. [2009 Cost of Capital Report at 21 – 23]” (emphasis added)**

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20 **Please indicate whether Dr. Vander Weide has proposed an “analytical framework**  
21 **and a system of weighting” as said was needed by the O.E.B.?**

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23 **A.** The quotation refers to both “an analytical framework in which to apply judgment” and  
24 “a system of weighting”. Dr. Vander Weide provides an analytical framework in which to  
25 apply judgment when he compares the relative risks of Canadian and U.S. utilities in  
26 Section IV of his written evidence. With regard to a “system of weighting,” as shown in  
27 Table 3 of his written evidence, Dr. Vander Weide gave equal weight to the results of all  
28 his recommended cost of equity models, which include both Canadian and U.S.  
29 comparable utility groups.