

1 **Q. Vander Weide Evidence – Would Dr. Vander Weide agree that the fact that**
2 **Newfoundland Power is a T&D company means that it is not to the same degree**
3 **subject to all of the business and financial risks (such as Demand Uncertainty,**
4 **Operating Expense Uncertainty, Investment Cost Uncertainty, High Operating**
5 **Leverage, High Degree of Financial Leverage, and Regulatory Uncertainty –**
6 **addressed by Dr. Vander Weide in his testimony for Gulf Power Florida before the**
7 **Florida Public Service Commission Docket No. 1101 38 – EI dated July 11, 2011 and**
8 **found at CA-NP-273 to the Newfoundland Power 2012 Cost of Capital proceeding?**
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10 A. No. Because Gulf Power is an integrated electric utility whose integrated electric utility
11 operations are subject to cost of service regulation, both Gulf Power and Newfoundland
12 Power are generally subject to the risk that they may not have an opportunity to earn a
13 fair rate of return on their investment. Because of their disparate operations, the details
14 of their exposure to regulatory risk may differ.