

1 **Q. Further to CA-NP-239 addressed to Dr. Vander Weide, how is the fact that many**
2 **electric utilities in the United States are increasing their capital expenditures to meet**
3 **demand growth and satisfy environmental requirements impacting their business**
4 **risk?**
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6 A. As Dr. Vander Weide states in response to Request for Information CA-NP-239, the
7 business risk of U.S. electric utilities compared to U.S. natural gas utilities may have
8 increased slightly due to capital expenditures necessary to meet demand growth and
9 satisfy environmental requirements. However, Dr. Vander Weide notes that any
10 increased business risk of U.S. electric utilities relative to U.S. natural gas utilities may
11 be wholly or partially offset by regulatory mechanisms that allow U.S. electric utilities to
12 recover in rates the capital expenditures required to meet demand growth and satisfy
13 environmental requirements.