

1 **Q. At Exhibit 16 to Dr. Vander Weide’s evidence, he provides allowed returns for the**
2 **utilities listed therein. At Exhibit 16 to Dr. Vander Weide’s evidence, he provides**
3 **allowed returns on equity for US electric utilities over the period January 2010 to**
4 **June 2012 based upon data from Regulatory Research Associates, SNL Financial,**
5 **July 5, 2012. He provides similar data in Exhibit 17 for US natural gas utilities over**
6 **the same period. In the Regulatory Research Associates’ State Regulatory**
7 **Evaluations dated January 19, 2012 reproduced at CA-289, it states at the top of**
8 **page 4, “. . . a utility may be authorized a relatively high ROE but factors, eg,**
9 **capital structure changes, the age or ‘staleness’ of the test period, rate base and**
10 **expense disallowances, the manner in which the commission chooses to calculate test**
11 **year revenue, and other adjustments, may render it unlikely that the company will**
12 **earn the authorized return on a financial basis. Hence, the overall decision may be**
13 **negative from an investor point of view, even though the authorized ROE is equal to**
14 **or above the average. (RRA’s rate case final reports provide a detailed analysis of**
15 **each fully-litigated commission decision.)” Can Dr. Vander Weide provide data as**
16 **to how the allowed ROEs compared to actual earned ROEs in relation to his Exhibit**
17 **16 and 17?**

18
19 **A. No. RRA’s rate case reports provide descriptions of commission decisions; they do not**
20 **provide an analysis of regulated utilities’ earnings following decisions.**