Q. Written Evidence of James H. Vander Weide – Volume 3

Pg. 33, A92 - Given that the DCF methodology used to estimate fair return on equity is entirely based on US comparables (pg.30, A83), why have you decided to exclude US comparables in your ex post risk premium method? What would be the results of the ex post risk premium methodology if US comparables were used?

A. Dr. Vander Weide excluded U.S. comparables in his ex post risk premium studies so that the Board could review at least some evidence that relates entirely to Canadian utilities. Dr. Vander Weide has presented ex post risk premium cost of equity estimates for U.S. utilities in recent testimonies equal to approximately 10.8 percent.