

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

**Pg. 45, A124 - If you had given equal weighting to the risk premium method, CAPM and DCF, what would the average return on equity have been?**

- A. As shown in the table below, the average result of Dr. Vander Weide's studies if he had included the results of his application of the CAPM would have been 10.1 percent.

**TABLE 1**  
**COST OF EQUITY MODEL RESULTS INCLUDING CAPM RESULTS**

Model	Model Result
Discounted Cash Flow	10.2%
Ex Post Risk Premium	9.9%
Ex Ante Risk Premium	11.1%
CAPM	9.3%
Average	10.1%