

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

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3 **Pg. 45, A126 - Please confirm that it is your position that Canadian regulatory**  
4 **allowed return on equity decisions are less relevant than US regulatory allowed**  
5 **return on equity decisions to Newfoundland Power's allowed return on equity.**  
6

7 A. Cannot confirm. As discussed on page 46, Answer 127, of his written evidence, Dr.  
8 Vander Weide believes that the cost of equity is best measured by market models such as  
9 the equity risk premium and discounted cash flow model. Dr. Vander Weide has only  
10 provided information on U.S. allowed ROEs and equity ratios for the Board's additional  
11 consideration, believing that the Board likely has ready access to information on the  
12 allowed ROEs of other Canadian regulators, but may not necessarily have access to  
13 information on average allowed ROEs and equity ratios for U.S. utilities.