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Q: At page 46 of his direct testimony, Dr. Cannon derives his market risk premium range of 3.8-4.2% and 4.75-5.15%, relative to Long-Term U.S. Treasury Bonds and Long-Term assets, respectively. Please explain how Dr. Cannon arrived at these ranges and provide copies of all supporting work papers.

A: All "Input Source" references are to Dr. Cannon's prefiled evidence.

I. For the 3.8% to 4.2% range:

Input Source	Input Value(s)	Weighting	Factor
page 43, line 19, rhs column	5.30%	40%	2.12
page 46, line 17	2.8% - 3.5%	60%	1.68 - 2.10
Total			3.80% - 4.22%

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II. For the 4.75% to 5.15% range:

Input Source	Input Value(s)	Weighting	Factor
page 43, line 20, rhs column	6.47%	40%	2.59
page 46, line 18	3.65% - 4.25%	60%	2.19 - 2.55
Total			4.78% - 5.14%

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