

- 1 **Q. Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on:**
2 **Please confirm that the similar decline for her 3-stage DCF model is 1.3% (Schedule**
3 **14-3).**
4
5 A. It is confirmed that Schedule 14, page 3 of 4 shows that the DCF cost of equity estimated
6 using the three stage model, in isolation, suggests that the utility sample cost of equity
7 was 1.3% lower in 2011 than it was in 2009.