Q. Treat the $\$ 26.2$ million subsidy as a component of return on equity rather than an allocation of the deficit between classes of customers and recalculate return on equity as a percentage from 1992 to 2000 and forecast for 2001 and 2002.
A. As requested, the attached schedule shows the calculation of return on equity if a $\$ 26.2$ million subsidy were treated as a component of return on equity.

