

1    Q.    In a previous application, NLH accepted a rate of return less than, in NLH's  
2           opinion, what it was due. Please advise as to the revenue requirement if the  
3           rate of return NLH sought was 3%, 4% and 5% respectively.

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6    A.    It is estimated that if the rate of return on equity sought by Hydro was 3%,  
7           4%, and 5%, then the corresponding reduction in revenue requirement, as  
8           per Schedule II, J.C. Roberts, would be approximately \$12.1 million, \$10.3  
9           million and \$8.5 million, respectively.