

1 Q. Regarding Roberts Schedule V please confirm that Hydro's 2004 mid-year
2 Ratebase, per Roberts Schedule III and Schedule IV, is \$1,485,468,000.
3 Please also confirm that, per Roberts Schedule IV, this consists of
4 \$213,761,000 of rural assets on which Hydro earns no return on equity.
5 Please also confirm that this leaves \$1,271,707,000 in Ratebase on which
6 Hydro proposes to earn a full 10.75% return on equity.

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9 A. As outlined in Schedule IV, J.C. Roberts contained in the Revised Application
10 dated August 12, 2003, Hydro's 2004 average rate base is \$1,485,450,000,
11 of which \$213,761,000 is related to rural assets on which Hydro proposes to
12 earn only a return on debt (7.138%) and does not seek to earn a return on
13 equity. Hydro proposes to earn a 8.322% return on rate base on the
14 remaining \$1,271,689,000 of rate base assets. The 8.322% return on rate
15 base was derived based on a 9.75% return on equity, as calculated in
16 Schedule V, J.C. Roberts contained in the Revised Application dated August
17 12, 2003.