

1    Q.    Regarding Roberts Schedule V please confirm that the return on equity rate  
2           of 10.75% applied to an equity investment of \$154,512,000 yields a return on  
3           equity (or margin) of \$16,610,000. Please confirm that this is the total return  
4           on equity that Hydro proposes to include in its revenue requirement in this  
5           proceeding, and is consistent with RDG-1 page 2 of 107.

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8    A.    A rate of return on equity of 9.75% as contained in the Revised Application  
9           dated August 12, 2003, applied to the equity investment in Other Rate Base  
10          Assets calculated in IC-354 NLH yields a return on equity or margin of  
11          \$15,064,183. This is the total equity return that is included in rates for  
12          regulated customers, consistent with RDG-1, Rev 1, page 2 of 107,  
13          contained in the Revised Application dated August 12, 2003.