

Q. NLH-119 CA (Re: Table, page 28)

Please provide all independent documentation and support for the idea that the market-to-book ratios of competitive industrials should be 1.0.

A. **No such an assertion is made in my testimony. However, if a company in a competitive industry consistently trades above 1.0, then the investors are indicating that they require returns which are below those observed on book values. That is the premise of the table.**