

1 Q. Please express the upside and downside risk identified in PUB-152 NLH in
2 basis points of return on equity for Hydro.

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5 A. A reduction in revenues of \$1,771,392, as identified in PUB-152 NLH, will
6 result in a reduction in the rate of return on equity of 80 basis points.

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8 A gain in revenues of \$4,952,640 will result in an increase in the rate of
9 return on equity of 230 basis points.

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11 This calculation assumes that the changes in revenue will flow through to
12 return on a dollar for dollar basis and it does not take into account any other
13 changes that may arise from this increase in revenues.