

1 Q. **Grant Thornton's Prefiled Evidence**

2 Page 22, lines 21-23 – What is the range of rate of return on rate base that
3 Hydro would suggest as being appropriate for Hydro, and on what basis is
4 this range determined?

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7 A. Hydro remains of the view expressed in response to NP-105 NLH that it is
8 premature to establish a range of return on rate base, as there remain
9 numerous issues that need to be resolved. As suggested in response to NP-
10 105 NLH, issues related to the levels of rates relative to costs paid by various
11 customer classes need to be resolved so that distribution of any excess
12 revenues over customer classes can be accomplished in a fair and relatively
13 simple way. Further, until the time as the Board has resolved the issues of
14 how a fair and reasonable return for Hydro is to be determined, it is not
15 possible to estimate a reasonable range of return on rate base.