

1    Q.    In consideration of your response to PUB-152 NLH, please quantify Hydro's  
2           opinion of adjustments (if any) to equity rate of return that it would consider  
3           appropriate in exchange for the increased (if any) risk.

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6    A.    Hydro would not consider it appropriate to adjust the equity rate of return.  
7           While the proposed demand rate would increase Hydro's downside risk  
8           relative to the energy rate, the upside potential under the demand rate would  
9           offset the incremental downside risk.