Q. Page 1-9, lines 20-21: Please provide a table to state what the increase in rates would be in rates if the return on equity proposed of 9.5% was reduced to 9.0%; 8.8% and 8.5%. In the response include in the table the amount of the change in the 2016 and 2017 Revenue Requirements related to each return on equity.

A. Table 1 provides an estimate of the increase in customer rates for returns on equity of 8.50%, 8.80% and 9.00%. The calculations assume no change in elasticity impacts, regulatory amortizations, long term debt requirements or average capital structure.

Table 1
Estimated Customer Rate Impacts for
***Pro forma* Returns on Equity**

***Pro forma* Return on Equity**	**Estimated Customer Rate Increase**	**Change in Revenue Requirement[1] ($000s)**
8.50%	2.0%	(7,162)
8.80%	2.3%	(5,022)
9.00%	2.5%	(3,599)

[1] Change in revenue requirement for 2017 based upon a reduction in return on equity from 9.5%.