

1 Q. (Re: Response to CA-NLH-61) What is the purpose of the lower bound on the
2 allowed range of return on rate base if "shortfalls remain to the account of the
3 shareholder"?

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6 A. The lower bound functions as an indicator to stakeholders that a company is
7 earning below its allowed rate of return on rate base and could, among other
8 things, apply for a rate change.