

1 Q. Reference: June 19 presentation entitled Settlement Discussions - Second Interim
2 Rate Application, slide 4, fourth bullet
3 In this bullet, Hydro uses the phrase "fair return standard". Within the context of
4 this statement, please explain what Hydro considers a fair return standard.

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7 A. Hydro considers the minimum return in its current GRA to meet the "fair return
8 standard" to be the lower end of the range of return on rate base established
9 consistent with the Government directive on return on equity.