

- Q. At p. 33, lines 8 through 11, Dr. Kalymon states: "Comparison of the results for 2001 of the sample with the allowed regulatory rates of return in Schedule 33 indicate that on average the companies are clearly earning returns in substantially in (sic) excess of those allowed on regulated activities." For each of the seven companies shown on Schedule 9, provide in tabular form the common equity allocated to the regulated activities and the specific return earned on these regulated activities.
- A. **The analysis of returns was conducted for the total traded entity not the regulated activity portion of each company. The returns for regulated activities was not collected as these returns cannot be used for the analysis presented in the evidence since the market reaction to these returns is unobservable.**