

- Q. At page 33, lines 20 through 23, Dr. Kalymon states: "While non-regulated activities do affect these results, nevertheless, investors are clearly indicating that the achieved results for the utilities are well above levels required for the level of risks involved." Please indicate how Dr. Kalymon segregated the results of regulated activities from non-regulated activities in his sample in reaching this conclusion.
- A. **The test of investor acceptance of observed rates of return was conducted based on the total returns observed and the market response to the overall returns. No attempt at segregating the results to those of regulated and non-regulated activities was made for the reasons indicated in the response to NP-27.**