

1 **Q. CA 10.0 NP**

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3 **Reference: 2006 Accounting Policy Application, para. 20**

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5 **Preamble: NP is not requesting a PUB determination that either the forecast**
6 **revenue requirement or the return on rate base is just and reasonable.**

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8 **Is NP of the view that a Board order setting rates that are just and reasonable is**
9 **premised on a determination as to the revenue requirement and return on rate base**
10 **that is just and reasonable? If not, please explain the company's position.**

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12 **A.** Yes. The *Public Utilities Act* requires the Board in setting rates to allow the Company an
13 opportunity to recover all reasonable and prudent costs incurred in providing electrical
14 service to its customers including a just and reasonable return on its rate base.