

1 Q. Provide a copy of Hydro's financial plan to achieve the 80/20 short-term
2 target for debt/equity (WEW, page 14, line 20). If no such plan exists in
3 writing, provide details of Hydro's current intentions.

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5 A. It is Hydro's intention to move towards an 80:20 debt/equity ratio over a
6 reasonable period of time. A key factor in moving towards an 80:20
7 debt/equity ratio is achieving an appropriate return on equity in rates,
8 comparable to investor owned utilities as well as a stable dividend policy.
9 Once Hydro has received further direction from the PUB regarding an
10 appropriate return on equity and further discussions have taken place with
11 the shareholder regarding Hydro's role and confirmation of a stable
12 dividend policy, Hydro will be in a position to better assess its plan to
13 achieve an 80/20 short term target for its debt/equity.