

2003 Newfoundland Hydro GRA**Projected Interest Cost versus Actual Interest Cost in 2004
Of the Long Term Bond Issue in 2003**

(\$000's)

	<u>Bond</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>2004</u> <u>Expense</u>
Projected Interest Cost ¹	\$ 125,000	6.65%	\$ 8,313
Actual Interest Cost ²	\$ 125,000	5.70%	<u>\$ 7,125</u>
			<u>Reduction In Test Year Interest Expense \$ 1,188</u>

Notes:¹ As filed in Schedule XI of J.C Roberts and detailed in the response to IC-238, page 3 of 3.² As filed in response to NP-235, page 1 of 1.

2003 Newfoundland Hydro GRA

Recalculation of 2004 Short Term Interest Costs Based On Methodology as provided in response to NP-99 and NP-100

	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>Average</u>
Average ⁵	2.400%	2.488%	2.650%	2.913%	2.613%
CIBC ¹	1.900%	1.900%	1.950%	1.950%	1.925%
RBC ²	2.750%	2.750%	3.000%	3.500%	3.000%
Scotia Mcleod ³	2.200%	2.300%	2.400%	2.500%	2.350%
BMO ⁴	2.750%	3.000%	3.250%	3.700%	3.175%

Notes:

¹ October 6, 2003 Forecast. Based on 98-Day Treasury Bills.

² October, 2003 Forecast. Based on 3 Month Rates.

³ September, 2003 Forecast. Based on 3 month T-Bill Rate.

⁴ August, 2003 Forecast. Based on 3-month T-Bill Rate.

⁵ Unable to access information provided by Merrill Lynch.

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Average Loans ¹	\$174,643	\$169,887	\$180,741	\$174,640	\$159,272	\$152,861	\$146,167	\$138,135	\$160,201	\$156,170	\$156,448	\$152,349	
Current Rate ¹	4.672%	4.672%	4.672%	5.019%	5.019%	5.019%	5.118%	5.118%	5.118%	5.128%	5.128%	5.128%	
Calculated Rate ²	<u>2.600%</u>	<u>2.600%</u>	<u>2.600%</u>	<u>2.688%</u>	<u>2.688%</u>	<u>2.688%</u>	<u>2.850%</u>	<u>2.850%</u>	<u>2.850%</u>	<u>3.113%</u>	<u>3.113%</u>	<u>3.113%</u>	
Difference	2.072%	2.072%	2.072%	2.332%	2.332%	2.332%	2.268%	2.268%	2.268%	2.016%	2.016%	2.016%	
Savings	\$302	\$293	\$312	\$339	\$309	\$297	\$276	\$261	\$303	\$262	\$263	\$256	<u>\$3,474</u>

Notes:

¹ Information from NP-100.

² Includes 20 basis point spread as shown in NP-99, page 2 of 2.