

NLH-174 PUB (Re: NLH-173 PUB)

If the response to NLH-173 PUB above is no, please explain in detail why the opportunity cost to the shareholder is the marginal cost of debt.

- A. As a Crown corporation, Hydro enjoys a lower opportunity cost of capital that is consistent with its ability to raise funds under Provincial debt guarantees, and the opportunity cost of capital should reflect that fact.