Newfoundland and Labrador Hydro Impact of a Decrease in the Embedded Cost of Debt from 8.26% to 8.21%

Debt Employee Future Benefits Retained Earnings Weighted Average Cost of Capit		Ratio 83.58% 2.42% 14.00%	Weighting 6.86% 0.00% 0.63%		Percent of Weighting 91.59% 0.00% 8.41% 100.00%	
	ssets Weighted Cost of		Weighted Avg Cost of Capital	Allowed <u>Return</u>		Andrew and Andrew Andrew Andrew
Rural Interconnected and Isolated Assets \$	.12.0 6.86%	•		\$ 14.5	X 100.00%	= 14.50
Other Ratebase Assets <u>\$ 1.2</u>	<u>.77.3</u>		<u>7.49</u>	<u>\$ 95.6</u>	X 91.59%	= <u>87.56</u>
Total Assets \$ 1,4	89.3			\$110.2		102.06
Allowed Return on Rate Base - December 2006 Filing \$ 110.7						
Estimated Impact \$\\ 0.6\\ \]				<u>\$ 0.6</u>		
Total 2007 Revenue Requirement \$431.1						
Estimated Impact as a Percentage of Revenue Requirement 0.14%						
					<u>102.06</u> 110.20 = 92.61%	