

1 Q. (a) Has Hydro already placed its planned \$225 million debt issue for 2006? If
2 so, what are the terms of this issue – that is, coupon rate, maturity,
3 sinking fund requirements, discount of issue price from par, etc.? If not,
4 when does Hydro expect to place or sell this planned debt issue?
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6 (b) Does Hydro plan to update its projected 2007 embedded cost of debt, as
7 originally determined in Schedule IV of Mr. Bradbury's Finance and
8 Accounting: Evidence, based on the realized coupon rate on the \$225
9 million debt issue expected before the end of 2006? If not, why not?
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12 A. (a) Yes, Hydro has placed its planned \$225 million debt issue. Details of
13 this issue were reported to the Board of Commissioners of Public
14 Utilities on September 28, 2006. The new issue was at a rate below
15 that which was assumed in the most recent filing. The details are
16 outlined on the following page.
17

18 (b) Yes, Hydro intends to incorporate the positive impacts resulting from
19 this issue in its final Test Year Cost of Service Study.

SERIES AE
Issue Details

On September 28, 2006, Hydro sold \$225,000,000 of Series AE in the domestic Canadian market. The particulars are as follows:

ISSUER: Newfoundland and Labrador Hydro

DELIVERY DATE: October 13, 2006

TERM: 10 years

MATURITY: October 13, 2016

AMOUNT: \$225 million

COUPON RATE: 4.30%

SINKING FUND: None

PRICE TO PUBLIC: \$99.775 per \$100.00 par value

PRICE TO UNDERWRITERS: \$99.175 per \$100.00 par value

YIELD TO PUBLIC: 4.328 %

UNDERWRITING FEE: \$0.60 per \$100.00 par value

COST TO HYDRO: 4.403 %

COUPON DATES: April 13 and October 13