

- 1 Q. Please provide the Hydro costs of capital, including equity and debt capital and the  
 2 related capital structure for financing its distribution and transmission rate bases  
 3 (as referenced in PUB-Nalcor-199 and PUB-Nalcor-200).  
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 5  
 6 A. Please see Tables 1 and 2 which provides details on Hydro's cost of capital for all its  
 7 assets.

**Table 1: Regulated Average Capital Structure**

<b>Regulated Average Capital Structure</b>	<b>2018 Test Year Forecast<sup>1</sup></b>
Debt	77.41%
Asset Retirement Obligation	0.63%
Employee Future Benefits	3.13%
Equity	18.83%
<b>Total</b>	<b>100.00%</b>

**Table 2: Weighted Average Cost of Capital (WACC)**

<b>WAAC</b>	<b>2018 Test Year Forecast<sup>1</sup></b>
Embedded Cost of Debt	4.96%
Asset Retirement Obligation	0.00%
Employee Future Benefits	0.00%
Equity	8.50%
<b>Total</b>	<b>5.44%</b>

<sup>1</sup> Current forecast (subject to change in Hydro's 2017 General Rate Application compliance filing), as filed with the Board on November 14, 2018.