

1 Q. **Reference: Page 1.19 Lines 15-17.**

2 Please provide a copy of the ROE direction referenced at page 1.19 lines 15-17.

3

4

5 A. Please see IC-NLH-001 Attachment 1.

Executive
Council



Newfoundland
and Labrador

*Certified to be a true copy of a Minute of a Meeting
of the Committee of the Executive Council of Newfoundland and
Labrador approved by His Honour the Lieutenant-Governor on*

2009/03/17

OC2009-063

MC2009-0140. NR2009-002. TBM2009-062.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities to adopt policies as follows for all future General Rate Applications by Newfoundland and Labrador Hydro, commencing with the first General Rate Application by Newfoundland and Labrador Hydro after January 1, 2009:

- i) in calculating the return on rate base for Newfoundland and Labrador Hydro, to set the same target return on equity as was most recently set for Newfoundland Power through a General Rate Application or calculated through the Newfoundland Power Automatic Adjustment Mechanism;
- ii) that Newfoundland and Labrador Hydro is entitled to earn annually, a rate of return equal to the weighted average cost of capital, as ordered from time to time, on the entire rate base as fixed and determined by the Board of Commissioners of Public Utilities, including amounts used solely for the provision of service to its rural customers; and
- iii) that the capital structure approved for Newfoundland and Labrador Hydro should be permitted to have a maximum proportion of equity as was most recently approved for Newfoundland Power.

A handwritten signature in dark ink, appearing to read "Garry Norris".

Clerk of the Executive Council