

1     Q.     Re: IC-NLH-090. At what time in 2014 does Series V debt mature? Is Hydro  
2           proposing a mechanism to share with ratepayers savings expected to arise as this  
3           10.5% face value debt (offset by sinking funds earning well below 10.5%) is  
4           refinanced or replaced?

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7     A.     Series V debt matures in June 2014. Between GRAs, utilities in Newfoundland and  
8           Labrador operate within an earnings range whereby if the utility exceeds the upper  
9           end of the range of return on rate base it results in excess earnings which are set  
10          aside and likely refunded to customers, subject to a ruling of the Board. At Hydro's  
11          next GRA, Hydro customers will benefit directly from any debt refinanced at lower  
12          rates when these lower costs are incorporated into revenue requirement.