1	Q.	Further to response to Request for Information NP-NLH-020:
2		Please provide a detailed calculation of the Weighted Average Cost of Capital
3		(WACC) for each year from 2014 to 2017 shown on Page 3 of 6 of Attachment 1.
4		
5		
6	A.	Please refer to NP-NLH-020 Attachment 1, [] for the detailed calculation of the
7		Weighted Average Cost of Capital for each year from 2014 to 2017. As additional
8		support, please refer to NP-NLH-251 Attachment 1 (Revision 1), [] for the detailed
9		calculation of the Embedded Cost of Debt for each year from 2014 to 2017.

Newfoundland and Labrador Hydro Forecast Average Cost of Debt (\$millions)

New Issue			Interest	Year of	Year of	Forecast	Forecast	Forecast	Forecast
Series X 10.25% 1992 2017 150 150 150 30 30 30 30 30 30 30		Series	Rate	Issue	Maturity	2014	2015	2016	2017
Series X 10.25% 1992 2017 150 150 150 30 30 30 30 30 30 30						· ·			_
Series Y	1	Series V	10.50%	1989	2014				
Series AB	2	Series X	10.25%	1992	2017	150	150	150	
Series AD Series AD Series AE A.30% 2003 2033 125	3	Series Y	8.40%	1996	2026	300	300	300	300
6 Series AE 4.30% 2006 2016 225 225 7 Series AF 3.60% 2015 400 250 250 A0 9 New Issue 4.36% 2016 400 250 250 A 10 New Issue 4.85% 2017 1,300.0 1,700.0 1,475.0 1,625.0 12 Total debentures 1,300.0 1,700.0 1,475.0 1,625.0 13 Promissory notes 145.6 - 211.5 75.0 15 Less: 1 1,000.0 1,700.0 1,475.0 1,625.0 15 Less: 1 1,500.0 1,700.0 1,475.0 1,625.0 15 Less: 1 1,500.0 1,433.4 1,397.9 1,622.2 18 Unamortized debt pool (8.2) (8.2) (8.2) (8.2) (8.2) (8.2) (8.2) 1,200.0 1,433.4 1,397.9 1,489.1 1,489.1 1,489.1 1,489.1	4	Series AB	6.65%	2001	2031	300	300	300	300
Series AF	5	Series AD	5.70%	2003	2033	125	125	125	125
New Issue 3.60% 2015 400 250 250 A 9 New Issue 4.85% 2017 300 15	6	Series AE	4.30%	2006	2016	225	225		
New Issue	7	Series AF	3.60%	2014		200	200	200	200
New Issue	8	New Issue	3.60%	2015			400	250	250 A
11 12 Total debentures 1,300.0 1,700.0 1,475.0 1,625.0 13 14 Promissory notes 145.6 - 211.5 75.0 15 Less: 16 Sinking funds (235.7) (257.2) (279.7) (202.2) 17 Non-regulated debt pool (8.2) (8.2) (8.2) (8.2) 18 Unamortized debt discount and financing (1.7) (1.2) (0.7) (0.5) 19 Total debt 1,000.0 1,433.4 1,397.9 1,489.1 21 Average debt 1,059.0 1,316.7 1,341.2 1,443.5 23 Embedded cost of debt 25 Long-term debt 86.3 95.3 91.9 90.7 26 Accretion of long-term debt 0.5 0.5 0.5 0.3 27 Amortization of foreign exchange losses 2.2	9	New Issue	4.36%	2016				150	150
Total debentures 1,300. 1,700. 1,475. 1,625.	10	New Issue	4.85%	2017					300
13 14 Promissory notes 145.6 - 211.5 75.0 15 Less:	11								
14 Promissory notes 145.6 - 211.5 75.0 15 Less:	12	Total debentures				1,300.0	1,700.0	1,475.0	1,625.0
15 Less:	13								
Sinking funds (235.7) (257.2) (279.7) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.2) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202.2) (279.7) (202.2) (202	14	Promissory notes				145.6	-	211.5	75.0
Non-regulated debt pool (8.2) (9.2) (9	15	Less:							
18 Unamortized debt discount and financing (1.7)	16	Sinking funds				(235.7)	(257.2)	(279.7)	(202.2)
Total debt Total	17	Non-regulated debt pool				(8.2)	(8.2)	(8.2)	(8.2)
20 Total debt 1,200.0 1,433.4 1,397.9 1,489.1 21 Zeronge debt 1,059.0 1,316.7 1,341.2 1,443.5 23 Zeronge debt 2 Zeronge debt 3 Zeronge debt	18	Unamortized debt discount and financing				(1.7)	(1.2)	(0.7)	(0.5)
21 22 Average debt 1,059.0 1,316.7 1,341.2 1,443.5 23	19								
22 Average debt 1,059.0 1,316.7 1,341.2 1,443.5 23 Embedded cost of debt 25 Long-term debt 86.3 95.3 91.9 90.7 26 Accretion of long-term debt 0.5 0.5 0.5 0.3 27 Amortization of foreign exchange losses 2.2 2.2 2.2 2.2 2.2 28 Debt guarantee fee 3.7 4.4 5.0 5.5 29 Other interest 1.1 (1.2) 2.9 5.1 30 Interest on sinking fund (16.0) (13.4) (14.5) (13.0) 31 Total State of the control of foreign exchange losses 77.8 87.8 87.9 90.7 30 Interest on sinking fund 77.8 87.8 87.9 90.7 31 Total State of the control of foreign exchange losses 77.8 87.8 87.9 90.7 31 Total State of the control of foreign exchange losses 77.8 87.8 87.9 90.7 32 Total State of the control of foreign exchange losses 77.8 87.8 87.9 90.7 33 Total State of the control of foreign exchange losses 77.8 87.8 87	20	Total debt			<u> </u>	1,200.0	1,433.4	1,397.9	1,489.1
Embedded cost of debt 25	21								
Embedded cost of debt Sec. Sec.	22	Average debt				1,059.0	1,316.7	1,341.2	1,443.5
Section of long-term debt	23				_				
26 Accretion of long-term debt 27 Amortization of foreign exchange losses 28 Debt guarantee fee 30 Other interest 31 (1.2) 2.9 5.1 30 Interest on sinking fund 31 32 34 34 35 36 37 38 38 38 39 30 30 30 30 30 30 30 30 30 30 30 30 30	24	Embedded cost of debt							
27 Amortization of foreign exchange losses 2.2 2.2 2.2 2.2 2.2 28 Debt guarantee fee 3.7 4.4 5.0 5.5 29 Other interest 1.1 (1.2) 2.9 5.1 30 Interest on sinking fund (16.0) (13.4) (14.5) (13.0) 31 77.8 87.8 87.9 90.7 33 34	25	Long-term debt				86.3	95.3	91.9	90.7
27 Amortization of foreign exchange losses 2.2 2.2 2.2 2.2 28 Debt guarantee fee 3.7 4.4 5.0 5.5 29 Other interest 1.1 (1.2) 2.9 5.1 30 Interest on sinking fund (16.0) (13.4) (14.5) (13.0) 31 32 77.8 87.8 87.9 90.7 33 34	26	Accretion of long-term debt				0.5	0.5	0.5	0.3
28 Debt guarantee fee 3.7 4.4 5.0 5.5 29 Other interest 1.1 (1.2) 2.9 5.1 30 Interest on sinking fund (16.0) (13.4) (14.5) (13.0) 31 32 77.8 87.8 87.8 87.9 90.7 33 34	27	Amortization of foreign exchange losses				2.2	2.2	2.2	2.2
30 Interest on sinking fund 31 32 33 34 (16.0) (13.4) (14.5) (13.0) (17.8) 87.8 87.8 87.9 90.7	28					3.7	4.4	5.0	5.5
31 32 77.8 87.8 87.9 90.7 33 34	29	Other interest				1.1	(1.2)	2.9	5.1
32 77.8 87.8 87.9 90.7 33 34	30	Interest on sinking fund				(16.0)	(13.4)	(14.5)	(13.0)
33 34	31								
34	32					77.8	87.8	87.9	90.7
	33				_				
35 Embedded cost of debt 7.3% 6.7% 6.6% 6.3%	34								
1.070 0.070 0.070	35	Embedded cost of debt				7.3%	6.7%	6.6%	6.3%

A - 2015 reflects the test year. 2016 and 2017 have been updated primarily to reflect exclusion of the Labrador West Transmission line.