

- 1 Q. **2013 General Rate Application, Intercompany Transaction Costing Guidelines –**  
2 **Exhibit 8**  
3 Page 9, lines 17-20 - Why is the rate charged on overdue invoices owed to Hydro  
4 different from the rate on invoices owed by Hydro?  
5  
6  
7 A. Hydro charges interest rates on intercompany invoices at its weighted average cost  
8 of capital to ensure that Hydro recovers interest at its cost of capital. Other entities  
9 within Nalcor recover their marginal short-term interest costs only.