

**IC-NLH-090
2013 NLH General Rate Application**

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1 Q. Please update NP-NLH-27 from the 2006 GRA.

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4 A. Please refer to IC-NLH-090, Attachment 1, pages 1 through 7.

Newfoundland and Labrador Hydro
Forecast Average Cost of Debt
As At December 31, 2013
 (\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2012	Proposed 2013
1	Series V	10.50%	1989	2014	125.0	125.0
2	Series X	10.25%	1992	2017	150.0	150.0
3	Series Y	8.40%	1996	2026	300.0	300.0
4	Series AB	6.65%	2001	2031	300.0	300.0
5	Series AD	5.70%	2003	2033	125.0	125.0
6	Series AE	4.30%	2006	2016	225.0	225.0
7	Total debentures				1,225.0	1,225.0
8						
9	Promissory notes				52.0	106.6
10	Less:					
11	Sinking funds				(310.1)	(337.3)
12	Non-regulated debt pool				(7.2)	(7.2)
13	Unamortized debt discount and financing				(2.8)	(2.2)
14						
15	Total debt				956.9	984.9
16						
17	Average debt					970.9
18						
19	Embedded cost of debt					
20	Long-term debt		90.5			
21	Accretion of long-term debt		0.5			
22	Amortization of foreign exchange losses		2.2			
23	Debt guarantee fee		3.7			
24	Other interest		0.2			
25	Interest on sinking fund		(19.3)			
26	less: non regulated interest		-			
27						77.8
28						
29	Embedded cost of debt					8.01%

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2012
(\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2011	Actual 2012
1	Series V	10.50%	1989	2014	125.0	125.0
2	Series X	10.25%	1992	2017	150.0	150.0
3	Series Y	8.40%	1996	2026	300.0	300.0
4	Series AB	6.65%	2001	2031	300.0	300.0
5	Series AD	5.70%	2003	2033	125.0	125.0
6	Series AE	4.30%	2006	2016	225.0	225.0
7	Total debentures				1,225.0	1,225.0
8	Promissory notes				-	52.0
10	Less:					
11	Sinking funds				(283.9)	(310.1)
12	Non-regulated debt pool				(5.1)	(7.2)
13	Unamortized debt discount and financing				(3.3)	(2.8)
15	Total debt				932.7	956.9
17	Average debt					944.8
19	Embedded cost of debt					
20	Interest on outstanding debt			91.4		
21	Amortization of debt issue expenses			0.5		
22	Amortization of foreign exchange losses			2.2		
23	Debt guarantee fee			3.7		
25	Non-regulated debt pool interest			-		
26	Other interest earned			(0.3)		
27	Sinking fund interest			(18.0)		79.5
29	Embedded cost of debt					8.41%

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2011
(\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2010	Actual 2011
1	Series V	10.50%	1989	2014	125.0	125.0
2	Series X	10.25%	1992	2017	150.0	150.0
3	Series Y	8.40%	1996	2026	300.0	300.0
4	Series AB	6.65%	2001	2031	300.0	300.0
5	Series AD	5.70%	2003	2033	125.0	125.0
6	Series AE	4.30%	2006	2016	225.0	225.0
7	Total debentures				1,225.0	1,225.0
8	Promissory notes				-	-
9	Less:					
11	Sinking funds				(259.2)	(283.9)
12	Non-regulated debt pool				(5.5)	(5.1)
13	Unamortized debt discount and financing				(3.7)	(3.3)
15	Total debt				956.6	932.7
17	Average debt					944.7
19	Embedded cost of debt					
20	Interest on outstanding debt			91.1		
21	Amortization of debt issue expenses			0.5		
22	Amortization of foreign exchange losses			2.2		
23	Debt guarantee fee			3.9		
25	Non-regulated debt pool interest			-		
26	Other interest earned			(0.9)		
27	Sinking fund interest			(16.6)		80.2
29	Embedded cost of debt					8.49%

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2010
(\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2009	Actual 2010
1	Series V	10.50%	1989	2014	125.0	125.0
2	Series X	10.25%	1992	2017	150.0	150.0
3	Series Y	8.40%	1996	2026	300.0	300.0
4	Series AB	6.65%	2001	2031	300.0	300.0
5	Series AD	5.70%	2003	2033	125.0	125.0
6	Series AE	4.30%	2006	2016	225.0	225.0
7	Total debentures				1,225.0	1,225.0
8	Promissory notes				-	-
9	Less:					
11	Sinking funds				(235.9)	(259.2)
12	Non-regulated debt pool				(3.5)	(5.5)
13	Unamortized debt discount and financing				(4.2)	(3.7)
15	Total debt				981.4	956.6
17	Average debt					969.0
19	Embedded cost of debt					
20	Interest on outstanding debt			90.9		
21	Amortization of debt issue expenses			0.4		
22	Amortization of foreign exchange losses			2.2		
23	Debt guarantee fee			-		
25	Non-regulated debt pool interest			(0.5)		
26	Other interest earned			(0.1)		
27	Sinking fund interest			(15.2)		77.7
29	Embedded cost of debt					8.02%

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2009
 (\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2008	Actual 2009
1	Series V	10.50%	1989	2014	125.0	125.0
2	Series X	10.25%	1992	2017	150.0	150.0
3	Series Y	8.40%	1996	2026	300.0	300.0
4	Series AB	6.65%	2001	2031	300.0	300.0
5	Series AD	5.70%	2003	2033	125.0	125.0
6	Series AE	4.30%	2006	2016	225.0	225.0
7	Total debentures				1,225.0	1,225.0
8	Promissory notes				163.1	-
10	Less:					
11	Sinking funds				(213.7)	(235.9)
12	Non-regulated debt pool				(18.0)	(3.5)
13	Unamortized debt discount and financing				(4.6)	(4.2)
14	Total debt				<u>1,151.8</u>	<u>981.4</u>
16	Average debt					<u>1,066.6</u>
19	Embedded cost of debt					
20	Interest on outstanding debt			91.0		
21	Amortization of debt issue expenses			0.4		
22	Amortization of foreign exchange losses			2.2		
23	Debt guarantee fee			-		
25	Non-regulated debt pool interest			-		
26	Other interest earned			(2.5)		
27	Sinking fund interest			<u>(13.9)</u>		<u>77.2</u>
29	Embedded cost of debt					<u>7.24%</u>

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2008
(\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2007	Actual 2008
1	Series AA	5.50%	1998	2008	200.0	-
2	Series V	10.50%	1989	2014	125.0	125.0
3	Series X	10.25%	1992	2017	150.0	150.0
4	Series Y	8.40%	1996	2026	300.0	300.0
5	Series AB	6.65%	2001	2031	300.0	300.0
6	Series AD	5.70%	2003	2033	125.0	125.0
7	Series AE	4.30%	2006	2016	225.0	225.0
8	Total debentures				1,425.0	1,225.0
9						
10	Promissory notes				7.1	163.1
11	Less:					
12	Sinking funds				(193.1)	(213.7)
13	CF(L)Co. Share Purchase Debt				(6.0)	-
14	Non-regulated debt pool				(40.4)	(18.0)
15	Unamortized debt discount and financing				(4.7)	(4.6)
16						
17	Total debt				1,187.9	1,151.8
18						
19	Average debt					1,169.9
20						
21	Embedded cost of debt					
22	Interest on outstanding debt			98.2		
23	Amortization of debt issue expenses			0.5		
24	Amortization of foreign exchange losses			2.2		
25	Debt guarantee fee			-		
27	Non-regulated debt pool interest			8.9		
28	Other interest earned			(2.7)		
29	Sinking fund interest			<u>(12.6)</u>		94.5
30						
31	Embedded cost of debt					8.08%

Newfoundland and Labrador Hydro
Embedded Cost of Debt - Actual
As At December 31, 2007
(\$ 000s)

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	Series	Interest Rate	Year of Issue	Year of Maturity	Actual 2006	Actual 2007
1	Series AA	5.50%	1998	2008	200.0	200.0
2	Series V	10.50%	1989	2014	125.0	125.0
3	Series X	10.25%	1992	2017	150.0	150.0
4	Series Y	8.40%	1996	2026	300.0	300.0
5	Series AB	6.65%	2001	2031	300.0	300.0
6	Series AD	5.70%	2003	2033	125.0	125.0
7	Series AE	4.30%	2006	2016	225.0	225.0
8	Total debentures				1,425.0	1,425.0
9						
10	Promissory notes				63.2	7.1
11	Less:					
12	Sinking funds				(173.5)	(193.1)
13	CF(L)Co. Share Purchase Debt				(18.8)	(6.0)
14	Non-regulated debt pool				(43.3)	(40.4)
15	Unamortized debt discount and financing				(2.9)	(4.7)
16						
17	Total debt				1,249.7	1,187.9
18						
19	Average debt					1,218.8
20						
21	Embedded cost of debt					
22	Interest on outstanding debt			102.4		
23	Amortization of debt issue expenses			0.7		
24	Amortization of foreign exchange losses			2.2		
25	Debt guarantee fee			13.1		
26	CF(L)Co. Share Purchase interest			(0.9)		
27	Non-regulated debt pool interest			5.0		
28	Other interest earned			(2.6)		
29	Sinking fund interest			(11.5)		108.4
30						
31	Embedded cost of debt					8.89%