Q. **Reference: Volume 1, page 144; OC2009-063**

Provide any risk assessment, cost-of-capital analysis, or similar internal or consultant-prepared study conducted by or for Hydro that addresses the business or financial risk profile underlying the 4.05% embedded cost of debt or the 8.60% return on equity used in this GRA. Provide the document(s) in full, or confirm that no such Hydro-specific risk assessment exists. If none exists, confirm that Hydro's cost of capital is derived entirely from Newfoundland Power's separate rate-setting process under OC2009-063 without any independent Hydro-specific risk analysis.

A. Order in Council OC2009-063 directed the Board of Commissioners of Public Utilities to set the same target return on equity ("ROE") to be used in the calculation of the return on rate base for all future general rate applications ("GRA") filed by Newfoundland and Labrador Hydro ("Hydro") as was most recently set for Newfoundland Power Inc. As such, Hydro does not have the requested documentation with respect to the ROE. Hydro's calculation of the embedded cost of debt is discussed and illustrated in Chapter 5, Section 5.4.1 and Schedule D-IV of Hydro's 2026 GRA.