Q. **Reference: Order No. P.U. 33(2021), page 8**

Provide Hydro’s short-term borrowing rate (commercial paper, operating line, or equivalent) for each year from 2019 through the most recent available date, as an annual (or, if available, monthly) series, identifying any changes in the facility or instrument used over that period.

A. Newfoundland and Labrador Hydro (“Hydro”) does not have a single short-term borrowing rate applicable to each year. Hydro’s short-term financing requirements are met through a combination of short-term borrowing instruments (generally its promissory note program and committed credit facility), with the applicable rate determined by the instrument, term, amount, and prevailing market conditions (including interest rates) at the time of each borrowing.

Hydro’s primary source of short-term financing is its promissory note program. Subject to availability and prevailing market conditions, Hydro generally utilizes the promissory note program before accessing its credit facility. Prior to June 28, 2024, borrowings under the credit facility were obtained through Bankers’ Acceptances. Effective June 28, 2024, Hydro transitioned to Canadian Overnight Repo Rate Average-based borrowings under the credit facility, replacing the use of Bankers’ Acceptances. This was a banking industry transition, and not specific to Hydro.

Table 1 provides the range of short-term borrowing rates for each year, reflecting the lowest and highest rates at which short-term borrowings were issued during the years, recognizing that individual borrowing rates vary depending on the financing instrument, prevailing market conditions, term, timing, and other transaction-specific factors.

Hydro also incurs additional costs associated with its short-term borrowings, including standby and commitment fees associated with its committed credit facility, the recoverable portion of its debt guarantee fee, and brokerage fees related to its promissory note program. These additional costs are not included in the borrowing rate ranges presented below, as they are separate from the interest rates applicable to individual short-term borrowings. These additional costs are included in the determination of the interest rate applied to the SCVDA, which is also included in Table 1.

Table 1: Hydro Regulated Short-Term Borrowing Rate Range

Year	Range of Short-Term Borrowing Rates Incurred	SCVDA Rate
2019	1.83%–1.95%	Not Applicable – RSP[1]
2020	0.24%–2.39%	Not Applicable – RSP
2021	0.22%–0.31%	1.84% (2022 Supply Cost Accounting Compliance Filing) Effective Nov 2021
2022	0.32%–4.42%	4.32%
2023	4.46%–5.32%	5.72%
2024	3.40%–5.97%	5.03%
2025	2.30%–4.27%	3.35%
January to July 2026	2.30%–3.28%	3.19% – 2026 GRA[2] Forecasted Rate

[1] Rate Stabilization Plan ("RSP").
[2] General Rate Application ("GRA").