Q. **Reference: Schedule D-IV (Volume 1, page 238, note 2); Schedule D-III (page 237, note 3); Schedule D-II (pages 233, 235); Order No. P.U. 16(2019), page 69 (item 7(c)**

Confirm whether the disallowed portion of the Debt Guarantee Fee reflected in the current filing's "*Interest Cost of Service Exclusions*" line traces directly to the disallowance ordered in Order No. P.U. 16(2019) item 7(c), and if so, describe the methodology used to calculate the disallowed amount in each year since 2019. Provide a narrative and, if available, a calculation showing the continuity (or lack of continuity) between the P.U. 16(2019) disallowance and the disallowed amounts embedded in the current filing for each Test Year and actual year from 2019 to 2027. If the current disallowance methodology differs from what P.U. 16(2019) ordered, explain the difference and its basis.

A. The disallowed portion of the Debt Guarantee Fee reflected in the current filing's "Interest Cost of Service Exclusions" line traces directly to the disallowance ordered in Board of Commissioners of Public Utilities Order No. P.U. 16(2019), item 7(c). Please refer to CA-NLH-103, Attachment 1 for the year-over-year calculation of the Debt Guarantee Fee, including cost of service exclusions.

The methodology used to calculate the disallowed amount reflects commitments established under Undertaking 139 of Newfoundland and Labrador Hydro's ("Hydro") 2013 Amended General Rate Application.[1] Specifically, the methodology assumes that:

- The Debt Guarantee Fee applicable to long-term debt is set within a range of 35 to 47 basis points, with the resulting savings shared equally (50/50) between customers and Hydro. 41 basis points is used in the calculation as it is the midpoint of that range;
- The Debt Guarantee Fee applicable to short-term debt is based on an equal (50/50) sharing of the savings achieved; and

[1] Please refer to PUB-NLH-072, Attachment 2 of this proceeding for a copy of Undertaking 139.

- Government of Newfoundland and Labrador ("Government") on-lending to Hydro[2] is excluded from the calculation.

[2] For recent debt issues, Government issues debt in the capital markets and on-lends the proceeds to Hydro. Debt Guarantee Fees associated with this are included in the calculation of the disallowed amount.

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2019 Test Year Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province.
The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-18

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	7.16	300,000	162,547	0.50%	813
2001	AB	6.650%	27-Aug-2031	12.66	300,000	211,372	0.50%	1,057
2003	AD	5.700%	14-Jul-2033	14.55	125,000	89,072	0.50%	445
2014/2017	AF	3.600%	1-Dec-2045	26.94	500,000	480,429	0.50%	2,402
2017	NEW	3.700%	2047-11-01	28.85	300,000	300,000	0.50%	1,500
2017	NEW	3.400%	2027-11-01	8.84	200,000	200,000	0.25%	500
2018	NEW	4.250%	2048-08-01	29.61	300,000	250,000	0.50%	1,250
						$ 1,693,419		7,967
				Promissory Notes		114,927	0.25%	287
				2017 Compliance Appication Adjustment				259
				2019 Test Yr Debt Guarantee Fee				**$ 8,513**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	7.16	300,000	162,547	0.205%	333
2001	AB	6.650%	27-Aug-2031	12.66	300,000	211,372	0.205%	433
2003	AD	5.700%	14-Jul-2033	14.55	125,000	89,072	0.205%	183
2014/2017	AF	3.600%	1-Dec-2045	26.94	500,000	480,429	0.205%	985
2017	NEW	3.700%	2047-11-01	28.85	300,000	300,000		-
2017	NEW	3.400%	2027-11-01	8.84	200,000	200,000		-
2018	NEW	4.250%	2048-08-01	29.61	300,000	250,000		-
						$ 1,693,419		1,934
				Promissory Notes		114,927	0.125%	144
				2017 Compliance Appication Adjustment				125
				Immaterial difference				9
				2019 Test Yr Debt Guarantee Fee (Recoverable Portion)				**$ 2,212**
				Cost of Service Exclusion (2019 Test Yr Debt Guarantee Fee less Recoverable Portion)				$ 6,302

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2019 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province.
The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-18

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	7.16	300,000	181,902	0.50%	910
2001	AB	6.650%	27-Aug-2031	12.66	300,000	227,499	0.50%	1,137
2003	AD	5.700%	14-Jul-2033	14.55	125,000	96,160	0.50%	481
2014/2017	AF	3.600%	1-Dec-2045	26.94	500,000	480,428	0.50%	2,402
2017/2018	1A	3.700%	17-Oct-2048	29.82	600,000	640,586	0.50%	3,203
						$ 1,626,575		8,133
				Promissory Notes		189,000	0.25%	473
				2019 Debt Guarantee Fee				**$ 8,605**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	7.16	300,000	181,902	0.205%	373
2001	AB	6.650%	27-Aug-2031	12.66	300,000	227,499	0.205%	466
2003	AD	5.700%	14-Jul-2033	14.55	125,000	96,160	0.205%	197
2014/2017	AF	3.600%	1-Dec-2045	26.94	500,000	480,428	0.205%	985
2017/2018	1A	3.700%	17-Oct-2048	29.82	600,000	640,586	0.000%	-
						$ 1,626,575		2,021
				Promissory Notes		189,000	0.125%	236
				2019 Debt Guarantee Fee (Recoverable Portion)				**$ 2,258**

Cost of Service Exclusion (2019 Debt Guarantee Fee less Recoverable Portion) $ 6,348

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2020 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province.
The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-19

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	6.16	300,000	173,718	0.50%	869
2001	AB	6.650%	27-Aug-2031	11.66	300,000	220,387	0.50%	1,102
2003	AD	5.700%	14-Jul-2033	13.55	125,000	93,649	0.50%	468
2014/2017	AF	3.600%	1-Dec-2045	25.94	500,000	480,851	0.50%	2,404
2017/2018	1A	3.700%	17-Oct-2048	28.82	600,000	639,763	0.50%	3,199
						$ 1,608,368		8,042
				Promissory Notes		233,000	0.25%	583
				2020 Debt Guarantee Fee				**$ 8,624**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	6.16	300,000	173,718	0.205%	356
2001	AB	6.650%	27-Aug-2031	11.66	300,000	220,387	0.205%	452
2003	AD	5.700%	14-Jul-2033	13.55	125,000	93,649	0.205%	192
2014/2017	AF	3.600%	1-Dec-2045	25.94	500,000	480,851	0.205%	985
2017/2018	1A	3.700%	17-Oct-2048	28.82	600,000	639,763	0.000%	-
						$ 1,608,368		1,985
				Promissory Notes		233,000	0.125%	291
				2020 Debt Guarantee Fee (Recoverable Portion)				**$ 2,276**

Cost of Service Exclusion (2020 Debt Guarantee Fee less Recoverable Portion) $ 6,348

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2021 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province.
The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-20

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	5.16	300,000	165,044	0.50%	825
2001	AB	6.650%	27-Aug-2031	10.66	300,000	213,133	0.50%	1,066
2003	AD	5.700%	14-Jul-2033	12.54	125,000	91,049	0.50%	455
2014/2017	AF	3.600%	1-Dec-2045	24.93	500,000	481,291	0.50%	2,406
2017/2018	1A	3.700%	17-Oct-2048	27.81	600,000	638,914	0.50%	3,195
						$ 1,589,431		7,947
				Promissory Notes		262,000	0.25%	655
				2021 Debt Guarantee Fee				**$ 8,602**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	5.16	300,000	165,044	0.205%	338
2001	AB	6.650%	27-Aug-2031	10.66	300,000	213,133	0.205%	437
2003	AD	5.700%	14-Jul-2033	12.54	125,000	91,049	0.205%	187
2014/2017	AF	3.600%	1-Dec-2045	24.93	500,000	481,291	0.205%	987
2017/2018	1A	3.700%	17-Oct-2048	27.81	600,000	638,914	0.000%	-
						$ 1,589,431		1,949
				Promissory Notes		262,000	0.125%	328
				2021 Debt Guarantee Fee (Recoverable Portion)				**$ 2,276**
				Cost of Service Exclusion (2021 Debt Guarantee Fee less Recoverable Portion)				$ 6,326

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2022 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province. The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-21

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	4.16	300,000	156,069	0.50%	780
2001	AB	6.650%	27-Aug-2031	9.66	300,000	205,535	0.50%	1,028
2003	AD	5.700%	14-Jul-2033	11.54	125,000	88,359	0.50%	442
2014/2017	AF	3.600%	1-Dec-2045	23.93	500,000	481,749	0.50%	2,409
2017/2018	1A	3.700%	17-Oct-2048	26.81	600,000	638,036	0.50%	3,190
2021	2A	1.750%	2-Jun-2030	8.42	300,000	286,582	0.25%	716
						$ 1,856,329		8,565
				Promissory Notes		55,000	0.25%	138
				2022 Debt Guarantee Fee				**$ 8,703**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	4.16	300,000	156,069	0.205%	320
2001	AB	6.650%	27-Aug-2031	9.66	300,000	205,535	0.205%	421
2003	AD	5.700%	14-Jul-2033	11.54	125,000	88,359	0.205%	181
2014/2017	AF	3.600%	1-Dec-2045	23.93	500,000	481,749	0.205%	988
2017/2018	1A	3.700%	17-Oct-2048	26.81	600,000	638,036	0.00%	-
2021	2A	1.750%	2-Jun-2030	8.42	300,000	286,582	0.00%	-
						$ 1,856,329		1,910
				Promissory Notes		55,000	0.125%	69
				2022 Debt Guarantee Fee (Recoverable Portion)				**$ 1,979**

Cost of Service Exclusion (2022 Debt Guarantee Fee less Recoverable Portion) $ 6,724

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2023 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province. The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-22

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	3.16	300,000	146,791	0.50%	734
2001	AB	6.650%	27-Aug-2031	8.66	300,000	197,638	0.50%	988
2003	AD	5.700%	14-Jul-2033	10.54	125,000	85,566	0.50%	428
2014/2017	AF	3.600%	1-Dec-2045	22.93	500,000	482,224	0.50%	2,411
2017/2018	1A	3.700%	17-Oct-2048	25.81	600,000	637,130	0.50%	3,186
2021	2A	1.750%	2-Jun-2030	7.42	300,000	288,042	0.25%	720
						$ 1,837,390		8,467
				Promissory Notes		131,000	0.25%	328
				2023 Debt Guarantee Fee				**$ 8,794**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	3.16	300,000	146,791	0.205%	301
2001	AB	6.650%	27-Aug-2031	8.66	300,000	197,638	0.205%	405
2003	AD	5.700%	14-Jul-2033	10.54	125,000	85,566	0.205%	175
2014/2017	AF	3.600%	1-Dec-2045	22.93	500,000	482,224	0.205%	989
2017/2018	1A	3.700%	17-Oct-2048	25.81	600,000	637,130	0.00%	-
2021	2A	1.750%	2-Jun-2030	7.42	300,000	288,042	0.00%	-
						$ 1,837,390		1,870
				Promissory Notes		131,000	0.125%	164
				2023 Debt Guarantee Fee (Recoverable Portion)				**$ 2,034**

Cost of Service Exclusion (2023 Debt Guarantee Fee less Recoverable Portion) $ 6,761

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2024 Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province. The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-23

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	2.16	300,000	137,153	0.50%	686
2001	AB	6.650%	27-Aug-2031	7.66	300,000	189,427	0.50%	947
2003	AD	5.700%	14-Jul-2033	9.54	125,000	82,647	0.50%	413
2014/2017	AF	3.600%	1-Dec-2045	21.93	500,000	482,718	0.50%	2,414
2017/2018	1A	3.700%	17-Oct-2048	24.81	600,000	636,194	0.50%	3,181
2021	2A	1.750%	2-Jun-2030	6.42	300,000	289,536	0.25%	724
						$ 1,817,675		8,365
				Promissory Notes		230,000	0.25%	575
				2024 Debt Guarantee Fee				**$ 8,940**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	2.16	300,000	137,153	0.205%	281
2001	AB	6.650%	27-Aug-2031	7.66	300,000	189,427	0.205%	388
2003	AD	5.700%	14-Jul-2033	9.54	125,000	82,647	0.205%	169
2014/2017	AF	3.600%	1-Dec-2045	21.93	500,000	482,718	0.205%	990
2017/2018	1A	3.700%	17-Oct-2048	24.81	600,000	636,194	0.00%	-
2021	2A	1.750%	2-Jun-2030	6.42	300,000	289,536	0.00%	-
						$ 1,817,675		1,828
				Promissory Notes		230,000	0.125%	288
				2024 Debt Guarantee Fee (Recoverable Portion)				**$ 2,116**

Cost of Service Exclusion (2024 Debt Guarantee Fee less Recoverable Portion) $ 6,824

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2025 Forecasted and Actual Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province. The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-24

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	1.16	300,000	127,150	0.50%	636
2001	AB	6.650%	27-Aug-2031	6.66	300,000	180,900	0.50%	904
2003	AD	5.700%	14-Jul-2033	8.54	125,000	79,611	0.50%	398
2014/2017	AF	3.600%	1-Dec-2045	20.93	500,000	483,231	0.50%	2,416
2017/2018	1A	3.700%	17-Oct-2048	23.81	600,000	635,227	0.50%	3,176
2021	2A	1.750%	2-Jun-2030	5.42	300,000	291,065	0.25%	728
						$ 1,797,183		8,258
				Promissory Notes		300,000	0.25%	750
				2025 Forecasted Debt Guarantee Fee				**$ 9,008**

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	1.16	300,000	127,150	0.205%	261
2001	AB	6.650%	27-Aug-2031	6.66	300,000	180,900	0.205%	371
2003	AD	5.700%	14-Jul-2033	8.54	125,000	79,611	0.205%	163
2014/2017	AF	3.600%	1-Dec-2045	20.93	500,000	483,231	0.205%	991
2017/2018	1A	3.700%	17-Oct-2048	23.81	600,000	635,227	0.00%	-
2021	2A	1.750%	2-Jun-2030	5.42	300,000	291,065	0.00%	-
						$ 1,797,183		1,785
				Promissory Notes		300,000	0.125%	375
				2025 Forecastsed Debt Guarantee Fee (Recoverable Portion)				**$ 2,160**

Cost of Service Exclusion (2025 Forecasted Debt Guarantee Fee less Recoverable Portion) $ 6,848

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2026 Forecasted Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province. The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-25

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	0.16	300,000	117,803	0.50%	589
2001	AB	6.650%	27-Aug-2031	5.66	300,000	172,393	0.50%	862
2003	AD	5.700%	14-Jul-2033	7.54	125,000	76,774	0.50%	384
2014/2017	AF	3.600%	1-Dec-2045	19.93	500,000	483,764	0.50%	2,419
2017/2018	1A	3.700%	17-Oct-2048	22.81	600,000	634,229	0.50%	3,171
2021	2A	1.750%	2-Jun-2030	4.42	300,000	292,630	0.25%	732
New 2025	NEW	4.600%	2055-10-17	29.81	300,000	296,983	0.50%	1,485
						$ 2,074,575		9,641
				Promissory Notes		279,853	0.25%	700
				2026 Forecasted Debt Guarantee Fee				**$ 10,341**
				Schedule D-IV: 2026 Forecast Debt Guarantee Fee				**$ 10,327**
								$ 14 Immaterial Difference

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	0.16	300,000	117,803	0.205%	241
2001	AB	6.650%	27-Aug-2031	5.66	300,000	172,393	0.205%	353
2003	AD	5.700%	14-Jul-2033	7.54	125,000	76,774	0.205%	157
2014/2017	AF	3.600%	1-Dec-2045	19.93	500,000	483,764	0.205%	992
2017/2018	1A	3.700%	17-Oct-2048	22.81	600,000	634,229	0.00%	-
2021	2A	1.750%	2-Jun-2030	4.42	300,000	292,630	0.00%	-
New 2025	NEW	4.600%	2055-10-17	29.81	300,000	296,983	0.00%	-
						$ 2,074,575		1,744
				Promissory Notes		279,853	0.125%	350
				2026 Forecasted Debt Guarantee Fee (Recoverable Portion)				**$ 2,094**

Cost of Service Exclusion (2026 Forecasted Debt Guarantee Fee less Recoverable Portion)	**$ 8,247**
Schedule D-IV: Cost of Service Exclusion (2026 Forecast Debt Guarantee Fee less Recoverable Portion)	**$ 8,253**
	$ (6) Immaterial Difference

Newfoundland and Labrador Hydro
Debt Guarantee Fee and Cost of Service Exclusions
2027 Test Year Debt Guarantee Fee

Background

Newfoundland and Labrador Hydro (NLH) is to pay to the Government of Newfoundland and Labrador an annual fee for any of its obligations guaranteed or on-lent by the Province.
The fee is calculated by applying a guarantee fee rate to the balance of any guaranteed or on-lent obligations of NLH, net of related sinking funds, outstanding at December 31 of the immediately preceding year as reported in NLH's annual financial statements.
The guarantee fee rate is as follows:

Calculation

End of immediately preceding fiscal year: 31-Dec-26

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	(0.84)	300,000		0.50%	-
2001	AB	6.650%	27-Aug-2031	4.66	300,000	163,633	0.50%	818
2003	AD	5.700%	14-Jul-2033	6.54	125,000	73,586	0.50%	368
2014/2017	AF	3.600%	1-Dec-2045	18.93	500,000	484,318	0.50%	2,422
2017/2018	1A	3.700%	17-Oct-2048	21.81	600,000	633,198	0.50%	3,166
2021	2A	1.750%	2-Jun-2030	3.42	300,000	294,231	0.25%	736
New 2025	3A	4.600%	2055-10-17	28.81	300,000	292,503	0.50%	1,463
New 2026	4A	4.680%	2056-08-15	29.64	200,000	200,000	0.50%	1,000
						$ 2,141,469		9,972
				Promissory Notes		245,261	0.25%	613
				2027 Test Yr Debt Guarantee Fee				**$ 10,585**
				Schedule D-IV: 2027 Test Year Debt Guarantee Fee				**$ 10,571**
								$ 14 Immaterial Difference

Recoverable Portion

Year Issued	Series	Interest Rate	Maturity Date	Years to Maturity	Long-term debt Par (000's)	Carrying value of Long-term debt Net of sinking fund (Previous Yr)(000's)	Guarantee Fee Rate	Guarantee Fee (000's)
1996	Y	8.400%	27-Feb-2026	(0.84)	300,000	-	0.205%	-
2001	AB	6.650%	27-Aug-2031	4.66	300,000	163,633	0.205%	335
2003	AD	5.700%	14-Jul-2033	6.54	125,000	73,586	0.205%	151
2014/2017	AF	3.600%	1-Dec-2045	18.93	500,000	484,318	0.205%	993
2017/2018	1A	3.700%	17-Oct-2048	21.81	600,000	633,198	0.00%	-
2021	2A	1.750%	2-Jun-2030	3.42	300,000	294,231	0.00%	-
New 2025	3A	4.600%	2055-10-17	28.81	300,000	292,503	0.00%	-
New 2026	4A	4.680%	2056-08-15	29.64	200,000	200,000	0.00%	
						$ 2,141,469		1,479
				Promissory Notes		245,261	0.125%	307
				2027 Test Yr Debt Guarantee Fee (Recoverable Portion)				**$ 1,786**

Cost of Service Exclusion (2027 Test Yr Debt Guarantee Fee less Recoverable Portion)	**$ 8,799**
Schedule D-IV: Cost of Service Exclusion (2027 Test Yr Debt Guarantee Fee less Recoverable Portion)	**$ 8,792**
	$ 7 Immaterial Difference