

The cost of equity used by Nalcor for the DG3 WACC analysis was 9.25% rather than the 8.80% ROE approved under the PUB Order P.E. 13 (2013) as the ROE was intended to be a long-term expected ROE rather than just that approved in the individual filing. This rate can also be supported by reference to page 64 of the expert report "Opinion on Capital Structure and Return on Equity for Newfoundland Power Inc." prepared by Foster Associates Inc. and filed as part of "Newfoundland Power's 2012 Cost of Capital Application" which is available on the PUB website.

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