Q. Further to PUB-Nalcor-201, MFLTA forecast for dividends, please provide the "delta impact" on revenue requirements and on dividends for the 2019-2039 forecasts for MFLTA, assuming that the commissioning date is delayed by 12 months, and an additional $1 Billion in CAPEX is spent, pre-commissioning. Please also give an explanation of how this change specifically impacts the calculation of revenue requirements and dividends for MFLTA and LIL (if any for LIL).

A. The information and "delta impact" provided in this response is based on Nalcor's January 2019 forecast, as aligned to the information provided in Nalcor's response to PUB-Nalcor-201. At the time of this request, no analysis had been completed to analyse the impact of a delay beyond the currently established commissioning date of September 2020. The deadline to complete this response does not provide the necessary time to complete such analysis. As such, based on discussion with the Board, the assumption used for this response is that there is an additional $1 Billion in CAPEX spend during the pre-commissioning period, with <u>no</u> change in the commissioning date.

Refer to PUB-Nalcor-258, Attachment 1 for the "delta impact" on revenue requirements and dividends for the 2020 to 2039 MFLTA forecast with an additional $1 Billion in CAPEX being spent in the pre-commissioning period.

Based on current interpretations of the agreements provided in Nalcor's responses to PUB-Nalcor-016 to PUB-Nalcor-019, the additional CAPEX during the pre-commissioning period, assuming it is funded entirely by Nalcor equity contributions, will result in a higher Base Block Capital Supply Price as defined in Schedule 1 of the Power Purchase Agreement in order to achieve the 8.4% project IRR. This will result in an increase in the Energy Sales component of the revenue requirement and the additional revenue received will all be after debt servicing cash available for dividends.

This scenario would have no impact on the LIL revenue requirement or dividends.

MFLTA Revenue Requirement and Dividends Impact
Based on the Nalcor January 2019 Forecast

In Response to:	$ Millions	Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	Revenue Requirement																					
PUB-Nalcor-201 (a) & PUB-Nalcor-202 (d)	Energy Sales [1]	9,729	121	288	304	319	344	372	392	413	435	457	495	535	560	586	613	640	669	698	728	760
PUB-Nalcor-201 (b)	Operating Costs	905	12	37	38	39	40	41	42	43	44	45	47	48	49	50	51	53	54	55	57	58
PUB-Nalcor-201 (c)	Water Power Rental	362	5	16	16	16	17	17	17	18	18	18	19	19	19	20	20	21	21	22	22	22
PUB-Nalcor-201 (d)	IBA	116	2	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
PUB-Nalcor-201 (f)	Sustaining Capital	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	13
	Revenue Requirement	**11,137**	**140**	**346**	**364**	**381**	**407**	**436**	**458**	**480**	**503**	**527**	**567**	**608**	**635**	**662**	**690**	**720**	**750**	**781**	**823**	**860**
Revenue Requirement Impacts																						
	Change in Energy Sales [2]	1,469	9	46	46	52	55	56	59	62	66	69	75	81	84	88	92	97	101	105	110	115
	Adjusted Revenue Requirement	12,606	149	393	411	433	462	492	517	542	569	596	641	688	719	750	783	816	851	887	932	974
Dividend Impacts																						
	Dividends as per PUB-Nalcor-201	**5,097**	**4**	**29**	**48**	**65**	**92**	**123**	**145**	**169**	**193**	**228**	**358**	**292**	**320**	**349**	**378**	**409**	**440**	**455**	**484**	**518.1928**
	Delta Dividends	1,472	9	46	46	52	55	56	59	62	66	69	75	81	85	89	93	97	101	106	110	115
	Adjusted Dividends	**6,570**	**13**	**75**	**94**	**117**	**148**	**179**	**205**	**231**	**259**	**297**	**433**	**372**	**404**	**437**	**471**	**506**	**542**	**560**	**594**	**633**

1 Includes Revenues and PPA/GIA adjustments (repayments) as stated in PUB-Nalcor-201 Attachment 1.
2 Includes changes to Revenues and PPA/GIA adjustments (repayments).

Assumptions:
$1 Billion in Capex is incurred evenly over the period of September 1, 2019 to August 31, 2020
The $1 Billion spend is assumed to be incurred entirely in the Muskrat Falls assets and no change in the LTA capital assets.
Equity contributions related to additional costs are spread evenly over the period of August 2019 to July 2020.
Contributions to the COREA account occur in December 2019.
COREA contributions will include incremental cashflows related to Capex.
No change to the commercial operation date of September 1, 2020.
No change to the pre-commissioning operating expenses.
No change to the operating and maintenance expenses during the commissioning period.