

1 Q. Consumer Question: Nalcor has used a power purchase agreement with pricing
2 based on the Bruce Power model (to create lower rates in the early years than
3 there would be if a traditional utility cost of service pricing (COS) model had been
4 used) for the Muskrat Falls generating site (using 100 %equity financing). Nalcor
5 has used a traditional utility cost of service (COS) pricing for the TL from Labrador
6 (with 75% debt/25% equity). Based on this Nalcor preferred pricing model Muskrat
7 Falls power is delivered to Soldiers Pond at a cost of 14.3 cents per kWh (or if not
8 14.3 cents per kWh please provide correct rate in cents per kWh). Please confirm.

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11 A. The capital structures and pricing models for Muskrat Falls and the Labrador Island
12 Transmission Link presented in the question are consistent with Nalcor's
13 assumptions.

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15 Please refer to Nalcor's response to CA/KPL-Nalcor-27 Revision 1 for discussion
16 about the cost of Muskrat Falls energy.