

1 Q. Consumer Question: With reference to CA/KPL-Nalcor-132, is the 7.7 cents
2 comparable with the 14.3 cents per kWh, given the use of the term "equivalent" in
3 paragraph 2 of the quote?
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6 A. No, the 7.7 cents and 14.3 cents per kWh are not comparable. As indicated in
7 CA/KPL-Nalcor-135, the LUEC value of 7.7 cents per kWh referred to in CA/KPL-
8 Nalcor-132 was a generation only LUEC provided to the LCP Joint Review Panel
9 under a different set of assumptions and for different purposes than applicable for
10 Nalcor's Decision Gate 2 generation expansion analysis.
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12 The 14.3 cents per kWh (\$2017, escalating at 2% annually) is the escalating
13 equivalent economic price that recovers all the costs of Muskrat Falls and the
14 Labrador Island transmission link based on only the energy delivered to the Island.
15 This economic price is not a financial rate that would be charged to customers.
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17 Please refer to CA-KPL-Nalcor-27 Rev. 1 regarding the incremental cost of Muskrat
18 Falls plus the Labrador-Island Transmission Link relative to the incremental cost of
19 base load thermal generation under the Isolated Island alternative.