

1 Q. Consumer Question: In Exhibit 36 Nalcor cites the Bruce Power lease arrangement
2 as a regulatory precedent to reduce prices in the early years of the Muskrat Falls
3 project and to shift dividend payments to the back end of the time horizon. Has this
4 precedent been deemed to be consistent with generally accepted accounting
5 principles for public utilities?
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8 A. Please note that Exhibit 36 did not introduce Bruce Power as a regulatory
9 precedent, but rather as an example of an indexed power purchase contract. Since
10 Nalcor is not a regulated public utility, regulatory precedents in this context are not
11 a concern for Nalcor.
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13 NL Hydro will have a PPA with a price escalator; this is not viewed as a regulatory
14 precedent.