Q. Consumer Question: Within the 2011 AGM meeting NALCOR presented a slide of Muskrat Falls Cash Flow. (Reference Slide 32 of http://www.nalcorenergy.com /assets/agm%202011%20muskrat%20falls%20presentation%20ed%20martin%20june%2022.pdf ) This appears to match the MF PPA as used within the CPW analysis, summarised within Exhibit 99. Within the Proposed Purchase Agreement for the Muskrat Falls infeed scenario the returns/profit/dividends are deferred to the end of the project. Although this has been done to lower the initial rate for the NL consumer, it also defers the profit element to the end of the economic review period. Using the discount rate of 8%, this back loading of the equity return, will in fact lower the Cumulative Present Worth. The question for NALCOR is to provide clarity if the proposed model for the MF PPA will have a lower CPW compared to a conventional COS model as normally used by utilities, and as employed within the isolated island alternative. If there is a difference, NALCOR is requested to provide the CPW for the interconnected island for both (i) COS arrangement, and (ii) the model currently proposed. The latter is currently the reference case.

A. The CPW for the generation expansion alternatives is not impacted by the choice of COS or PPA approach to pricing for Muskrat Falls power. Please refer to Nalcor's response to PUB-Nalcor-177 and MHI Report Volume 1, page 84, section 7.2.