

1 Q. Consumer Question: Regarding Nalcor's 8% discount rate, is this a nominal or real  
2 (i.e., net of inflation) rate?

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5 A. The regulated average weighted cost of capital of 8%, which is used in generation  
6 planning and taken as the discount rate for analytical purposes, is in nominal terms.  
7 Please see Nalcor's Submission, section 3.5, page 38.