

1 Q. Consumer Question: Can the shareholder commit future legislatures to maintaining
2 the cycle of equity investment return, sacrifice and recoupment and the
3 corresponding time profile of rates, allowing for subsidies or foregone earning in
4 early years to be offset in later years by a surcharge to recoup income foregone in
5 earlier years?

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8 A. The analysis requested does not assist consideration of the Reference Question, as
9 neither the Terms of Reference nor the Reference Question addresses matters
10 related to the authority of the Government of Newfoundland and Labrador. This
11 matter is beyond the scope of the matter before the Board.

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13 Please note that no subsidy is included in Nalcor's cash flow projections, and no
14 earnings are foregone; the Muskrat Falls development is projected to earn an 8.4%
15 IRR over the study period.