

1 Q. Consumer Question: Does this Bruce power arrangement impose a burden on  
2 future generations?  
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5 A. Please see CA/KPK-Nalcor-236 and Exhibit 36. As indicated in Exhibit 36, in contrast  
6 to a conventional cost of service approach to pricing, the PPA pricing approach  
7 establishes a price in 2010 constant dollars which achieves a targeted return on  
8 equity over the planning period. There is no economic burden on future  
9 generations. As indicated in Exhibit 36, the PPA pricing approach actually assists  
10 with addressing intergenerational equity issues with respect to the pricing of capital  
11 intensive public utility assets by maintaining a uniform real price across future  
12 generations. With only a portion of Muskrat Falls output being used in early years,  
13 using a cost of service approach would unfairly penalize rate payers in early years  
14 and in relative terms unfairly benefit rate payers in later years.