

1 Q. Consumer Question: Nalcor has increased their rate of return on equity to 10%. Has  
2 Nalcor studied the long term impact this may have with respect to the Federal  
3 Equalization Plan re NL (if NL reverts to have not status?) Will Nalcor's increased  
4 profitability reduce future equalization payments?

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7 A. In June 2009, the Government of Newfoundland and Labrador announced its  
8 intention to establish Hydro's return on regulated equity on a level "comparable to  
9 other Canadian regulated utilities"<sup>1</sup>.

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11 Nalcor has not studied any potential impacts on equalization, and such an analysis  
12 would be within the purview of the Department of Finance, Government of  
13 Newfoundland and Labrador.

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<sup>1</sup> <http://www.releases.gov.nl.ca/releases/2009/nr/0617n04.htm>