

1 Q. Consumer Question: Why was interest during construction (IDC) not included in the  
2 \$6.2 billion MF project costs (or the project comparisons)?

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5 A. The \$6.2 billion cost includes 2010 direct dollars, contingency, and escalation for  
6 Muskrat Falls, the Labrador Island Transmission link and the Maritime link. This  
7 value was used for reporting purposes as the debt-equity ratios and approaches to  
8 financing were not finalized. Nalcor has consistently acknowledged this during  
9 when referring to the \$6.2 billion cost.

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11 To the extent that the DG2 analysis for Muskrat Falls is based on an assumption of  
12 100 percent equity, no interest during construction accrues for Muskrat Falls. The  
13 Labrador Island Transmission Link assumed a regulated 75:25 debt-equity capital  
14 structure and included an allowance for funds used during construction (AFUDC),  
15 inclusive of IDC, as per established regulatory practices.