

1 Q. Consumer Question: Please prepare a graph showing power rates using a cost of  
2 service approach as compared to the power purchase agreement approach to  
3 2067?

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5 A. The requested analysis does not assist consideration of the Reference Question.  
6 Consistent with the Terms of Reference and the Reference Question, Nalcor's  
7 analyses for this proceeding have considered the Cumulative Present Worth (CPW)  
8 of the Interconnected Island alternative and the Interconnected Island alternative.

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10 As indicated in Nalcor's response to PUB-Nalcor-177, the CPW of the  
11 Interconnected Island alternative will be the same whether a cost of service or  
12 escalating PPA pricing model is used.

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14 Exhibit 36 provides an explanation of why an escalating price model will be used for  
15 the Muskrat Falls PPA rather than a cost of service pricing approach.