

1 Q. With respect to Exhibit 15, please explain how the numbers tie to the CPW results?
2 Why were the 75/25 D/E ratio and respective costs not incorporated in the
3 calculation?

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6 A. The supply of Muskrat Falls energy to Hydro is through a power purchase
7 agreement, and not on a cost of service basis. Exhibit 15 shows the development of
8 the power purchase agreement price to Hydro (which is reflected in the CPW
9 analysis), and the inputs used in Exhibit 15 are those for the developer of Muskrat
10 Falls, not Hydro.

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12 For further information, please refer to response to MHI-Nalcor-35.