

1 Q. **Reference: Cost Relationship to Changes in Newfoundland Power's Return on Equity**

2 Please confirm and explain if a change in the capital structure (i.e. % of common equity) set for  
3 Newfoundland Power will impact the costs incurred by Hydro under the Muskrat Falls  
4 agreements, including a reference to any relevant contractual terms.

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7 A. There is no impact on costs incurred by Newfoundland and Labrador Hydro under the  
8 agreements specific to the Muskrat Falls assets (i.e., Muskrat Falls Power Purchase Agreement  
9 and the Transmission Funding Agreement) should there be a change in the capital structure set  
10 for Newfoundland Power Inc.