Page 1 of 1

| 1 | Q. | Consumer Question: On a COS basis Nalcor will sell Muskrat Falls power to Hydro at |
|----|----|---------------------------------------------------------------------------------------|
| 2 | | \$214 MWh in year 1. Based on the \$214 /MWh COS price what is the price in \$ per |
| 3 | | MWh that Hydro will sell Muskrat Falls power to Newfoundland Power in year 1? |
| 4 | | |
| 5 | | |
| 6 | A. | Nalcor does not propose to sell Muskrat Falls power to Hydro at \$214 /MWh in year |
| 7 | | 1. Nalcor will sell Muskrat Falls power to Hydro at \$76 /MWh in \$2010, escalating |
| 8 | | at 2% annually. In Year 1 this escalating selling price will be \$87 /MWh. Please |
| 9 | | refer to MHI-Nalcor-49.2 for additional details. |
| 10 | | |
| 11 | | Hydro will not sell Muskrat Falls power to directly to Newfoundland Power or its |
| 12 | | industrial customers. Rather, the cost of Muskrat Falls power will be blended into |
| 13 | | all of Hydro's other regulated costs to arrive at an overall average cost such as has |
| 14 | | been presented in PUB-Nalcor-5. |
| | | |