

1 Q. Consumer Question: The Muskrat Falls project cost is financed 75% debt/25%
2 equity. Please provide a 50 year schedule of the 25% equity in the Muskrat Falls
3 project. Please show the opening equity + the yearly additions - the yearly
4 reductions = end of year equity by each year of the 50 years.
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6

7 A. The Interconnected Island alternative includes the Muskrat Falls generating facility
8 and the Labrador-Island Transmission Link between Muskrat Falls in Labrador and
9 Soldier's Pond on the Avalon Peninsula. For analysis, Nalcor has assumed the
10 Labrador-Island Transmission Link was financed on a regulated cost-of-service basis
11 with 75% debt and a 10% return on equity. The Muskrat Falls generating facility
12 was assumed to be financed with 100% equity with a cost-based escalating rate
13 established to provide an 8.4% internal rate of return based on sales to the Island.
14

15 Assumptions common to all generation expansion alternatives, including "regulated
16 financial assumptions", are provided on page 17 of Nalcor's July 2011 presentation
17 to the Board¹. The methodology and calculations to establish costs and rates for
18 the Muskrat Falls generating project are more fully described in Exhibit 36 and the
19 response to Request for Information MHI-Nalcor-58.
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21 Please refer to the attached schedule of Shareholder's Equity, which includes both
22 the Muskrat Falls generating facility and the Labrador Island Transmission Link.

¹ <http://www.pub.nl.ca/applications/MuskratFalls2011/files/presentation/Nalcor-ProjectOverview-July18-11.pdf>

SHAREHOLDER'S EQUITY (\$ millions)

Muskrat Falls Generating Facility (100% Equity)						Labrador-Island Transmission Link (25% Equity)					
Project Yr	Less Dividends &					Less Dividends &					
Ending Jun 30	Opening Balance	Plus Equity Contributions	Plus Net Income	Return of Equity Contributions	Ending Balance	Opening Balance	Plus Equity Contributions	Plus Net Income	Return of Equity Contributions	Ending Balance	
2010	-	33.80	-	-	33.80	2010	-	109.65	-	-	109.65
2011	33.80	59.98	-	-	93.79	2011	109.65	20.30	-	-	129.94
2012	93.79	272.02	-	-	365.80	2012	129.94	218.96	-	-	348.91
2013	365.80	643.86	-	-	1,009.66	2013	348.91	-	37.00	-	385.91
2014	1,009.66	795.69	-	-	1,805.35	2014	385.91	-	39.30	-	425.21
2015	1,805.35	514.43	-	-	2,319.78	2015	425.21	59.60	45.70	-	530.51
2016	2,319.78	428.72	-	-	2,748.50	2016	530.51	52.00	55.79	-	638.31
2017	2,748.50	104.41	107.66	-	2,960.57	2017	638.31	-	63.19	(75.96)	625.54
2018	2,960.57	-	82.66	(200.04)	2,843.19	2018	625.54	-	61.92	(74.68)	612.78
2019	2,843.19	-	91.56	(152.00)	2,782.75	2019	612.78	-	60.67	(72.75)	600.70
2020	2,782.75	-	101.63	(162.06)	2,722.32	2020	600.70	-	59.40	(72.85)	587.24
2021	2,722.32	-	111.16	(171.57)	2,661.90	2021	587.24	-	58.14	(69.75)	575.63
2022	2,661.90	-	128.77	(189.14)	2,601.53	2022	575.63	-	56.91	(69.97)	562.58
2023	2,601.53	-	143.85	(204.21)	2,541.18	2023	562.58	-	55.61	(68.66)	549.52
2024	2,541.18	-	164.69	(224.94)	2,480.92	2024	549.52	-	54.30	(67.35)	536.47
2025	2,480.92	-	176.16	(236.53)	2,420.55	2025	536.47	-	52.99	(66.05)	523.41
2026	2,420.55	-	186.98	(247.38)	2,360.14	2026	523.41	-	51.77	(63.23)	511.95
2027	2,360.14	-	200.78	(261.13)	2,299.79	2027	511.95	-	50.54	(63.63)	498.86
2028	2,299.79	-	218.55	(275.70)	2,242.65	2028	498.86	-	49.23	(62.32)	485.77
2029	2,242.65	-	237.98	(294.97)	2,185.66	2029	485.77	-	47.92	(61.02)	472.68
2030	2,185.66	-	267.06	(323.88)	2,128.83	2030	472.68	-	46.61	(59.71)	459.58
2031	2,128.83	-	281.83	(338.94)	2,071.73	2031	459.58	-	45.39	(56.68)	448.30
2032	2,071.73	-	297.10	(354.23)	2,014.59	2032	448.30	-	44.17	(57.31)	435.16
2033	2,014.59	-	312.83	(369.88)	1,957.54	2033	435.16	-	42.86	(56.00)	422.02
2034	1,957.54	-	329.04	(386.12)	1,900.46	2034	422.02	-	41.55	(54.68)	408.89
2035	1,900.46	-	345.78	(402.85)	1,843.39	2035	408.89	-	40.23	(53.37)	395.75
2036	1,843.39	-	362.05	(419.17)	1,786.27	2036	395.75	-	39.02	(50.11)	384.66
2037	1,786.27	-	377.80	(434.85)	1,729.22	2037	384.66	-	37.81	(50.99)	371.47
2038	1,729.22	-	378.11	(435.50)	1,671.83	2038	371.47	-	36.49	(49.67)	358.29
2039	1,671.83	-	395.08	(452.15)	1,614.76	2039	358.29	-	35.17	(48.35)	345.11
2040	1,614.76	-	413.01	(470.10)	1,557.67	2040	345.11	-	33.85	(47.04)	331.92
2041	1,557.67	-	430.48	(487.49)	1,500.66	2041	331.92	-	32.65	(43.52)	321.05
2042	1,500.66	-	448.38	(505.43)	1,443.61	2042	321.05	-	31.44	(44.68)	307.81
2043	1,443.61	-	466.83	(523.87)	1,386.57	2043	307.81	-	30.12	(43.36)	294.57
2044	1,386.57	-	485.81	(542.89)	1,329.48	2044	294.57	-	28.79	(42.03)	281.33
2045	1,329.48	-	505.39	(562.36)	1,272.52	2045	281.33	-	27.47	(40.71)	268.09
2046	1,272.52	-	525.48	(582.49)	1,215.51	2046	268.09	-	26.28	(36.90)	257.47
2047	1,215.51	-	546.19	(603.18)	1,158.51	2047	257.47	-	25.08	(38.38)	244.16
2048	1,158.51	-	553.98	(611.03)	1,101.47	2048	244.16	-	23.75	(37.05)	230.86
2049	1,101.47	-	575.89	(632.80)	1,044.55	2049	230.86	-	22.42	(35.72)	217.56
2050	1,044.55	-	598.41	(655.37)	987.59	2050	217.56	-	21.09	(34.39)	204.26
2051	987.59	-	620.29	(677.27)	930.62	2051	204.26	-	19.91	(30.25)	193.92
2052	930.62	-	642.75	(699.79)	873.58	2052	193.92	-	18.72	(32.10)	180.54
2053	873.58	-	665.84	(722.73)	816.70	2053	180.54	-	17.39	(30.76)	167.17
2054	816.70	-	689.57	(746.51)	759.76	2054	167.17	-	16.05	(29.42)	153.80
2055	759.76	-	713.28	(770.23)	702.82	2055	153.80	-	14.71	(28.08)	140.43
2056	702.82	-	737.63	(794.64)	645.81	2056	140.43	-	13.54	(23.57)	130.40
2057	645.81	-	762.68	(819.52)	588.97	2057	130.40	-	12.37	(25.82)	116.95
2058	588.97	-	784.59	(841.56)	531.99	2058	116.95	-	11.02	(24.47)	103.50
2059	531.99	-	801.25	(858.33)	474.91	2059	103.50	-	9.68	(23.13)	90.05
2060	474.91	-	818.24	(875.40)	417.75	2060	90.05	-	8.33	(21.78)	76.60
2061	417.75	-	835.58	(892.56)	360.77	2061	76.60	-	7.18	(16.84)	66.93
2062	360.77	-	853.25	(910.31)	303.70	2062	66.93	-	6.02	(19.56)	53.39
2063	303.70	-	871.27	(928.33)	246.65	2063	53.39	-	4.66	(18.20)	39.85
2064	246.65	-	889.65	(946.79)	189.50	2064	39.85	-	3.31	(16.85)	26.31
2065	189.50	-	908.40	(965.35)	132.55	2065	26.31	-	1.95	(15.50)	12.77
2066	132.55	-	927.51	(984.54)	75.51	2066	12.77	-	0.81	(10.07)	3.51
2067	75.51	-	947.10	(1,004.12)	18.49	2067	3.51	-	0.31	(1.18)	2.63