

1 Q. Consumer Question: Further to CA/KPL-Nalcor-259 and CA/KPL-Nalcor-260, will
2 power sales west initiate immediate offset of LIA costs to Newfoundland
3 ratepayers, given that significant LIA costs are retribution for Churchill Falls
4 reservoir costs (and hence sales west)?
5
6

7 A. Nalcor interprets the reference to “LIA” to mean the Labrador Transmission Assets,
8 the transmission facility between Muskrat Falls and Churchill Falls. In its DG2
9 analysis Nalcor has assumed no other sales are taking place and therefore the cost
10 of the Labrador Transmission Assets is included in the cost of energy from Muskrat
11 Falls. Any required adjustments to cost allocation for these assets will be addressed
12 in the final commercial terms of the PPA.