

1 Q. Consumer Question: Nalcor has deferred taking its 10% return on equity (ROE) in
2 the early years to create lower power rates in the early years. Nalcor then uses a
3 power purchase agreement for power generation costs to create lower rates than
4 there would be under a traditional cost of service agreement. What would the
5 present power cost of 14.3 cents per KWh be if Nalcor used a traditional cost of
6 service approach to pricing?

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9 A. Please refer to Nalcor's response to CA/KPL-Nalcor-27.