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1 Q. **Reference: Justification Report, page 14, line 24 to page 15, line 3**

2 The Justification Report states that Hydro will not be responsible for the cost of return on  
3 rate base, up-front project assessment costs and interest during construction. Will any of  
4 these costs be passed on to Hydro's customers through other charges, such as the recovery  
5 of O&M costs related to the Muskrat Falls Project? If the answer is yes, please comment on  
6 the impact of including such costs in the economic evaluation of the alternatives. If not,  
7 why not?

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10 A. No. Return on rate base, up-front project assessment costs, and interest during  
11 construction are not included in the project costs to be recovered from Nalcor affiliates  
12 (including Newfoundland and Labrador Hydro).