

1 Q. Further to PUB-Nalcor-144, Churchill Falls forecasts, please provide the impact on  
2 revenue requirements and on cash flow for each year assuming that rental royalties  
3 in PUB-Nalcor-184 are not paid to the Province, and are directed to rate mitigation.

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6 A. Refer to Nalcor's response to PUB-Nalcor-184 for a detail description of the Rental  
7 Royalty required to be paid by Churchill Falls to the Newfoundland and Labrador  
8 provincial government as per the May 16, 1961 Statutory Lease.

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10 It is assumed that if Churchill Falls was directed to pay the calculated Rental Royalty  
11 as per the Lease noted above to another party, it would still be considered an  
12 expense to Churchill Falls and would therefore have no impact on the revenue  
13 requirements/revenues, expenses, operating net income, or cashflows of the  
14 business as previously provided in Nalcor's response to PUB-Nalcor-144.