

1 Q. **Reference: Attachment 1- Long-Term Supply for Southern Labrador - Economic and Technical**
2 **Assessment**

3 Table 7 on page 33 shows the capital cost of the recommended alternative as \$60.5 million
4 while Table 2 of Schedule 1 (Long-Term Supply for Southern Labrador – Phase 1) shows the
5 capital cost as \$72.6 million. Please reconcile these numbers.

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8 A. The estimate included in Table 7 on page 33 of Attachment 1 for Alternative 3a (\$60.5 million) is
9 the American Association of Cost Engineering (“AAACE”) Class 5 level estimate used for screening
10 purposes. The capital cost estimate for Alternative 3a was refined to an AAACE Class 3 level
11 estimate after it was selected as the preferred option during the concept screening process. The
12 estimate provided in Table 2 of Schedule 1 (Long-Term Supply for Southern Labrador – Phase 1)
13 (\$72.6 million) is the AAACE Class 3 level estimate which is the total being proposed for this
14 project. As a sensitivity, the more refined Class 3 level estimates were applied to the economic
15 analysis and the results concluded that an interconnected solution was still the least-cost
16 option.