

1 Q. In the Nalcor Submission at Table 23: Isolated Island Alternative:
2 Generation Expansion CPW (2010 \$, millions), \$6.04 billion of the total \$8.810
3 billion CPW (68.7%) is comprised of fossil fuels. Has Nalcor sought advice from Risk
4 Management expertise or other expertise as to the reasonableness of relying on a
5 single firm's thermal fuel oil price forecast? If so, please provide a copy of the
6 advice received. If not, why not?

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9 A. Nalcor's thermal fuel oil price forecasts were reviewed by Navigant Consulting Ltd.
10 as part of the Independent Supply Decision Review and were considered to be
11 reasonable¹.

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13 Varying views with respect to future thermal fuel prices have been assessed by
14 Nalcor through fuel price sensitivity analysis. CPW results from higher and lower
15 fuel price futures are provided in section 7.2 of Nalcor's submission to the Board.
16 The sensitivity analyses indicate a preference for the Interconnected Island Scenario
17 (Muskrat Falls and the Labrador Island Transmission Link).

18
19 Present Value, 2010\$, millions

Case	Isolated Island Scenario	Interconnected Island Scenario	Preference for Interconnected Island Scenario
PIRA High World Oil Forecast	\$12,822	\$7,348	(\$5,474)
PIRA Low World Oil Forecast	\$6,221	\$6,100	(\$120)
PIRA May 2011 Update For Reference Oil Price Forecast	\$9,695	\$6,889	(\$2,806)

20 *(From Nalcor's Submission, Page 126, Revision 1)*

¹ Exhibit 101, page 50.