

1 Q. Please state what the Preference for Interconnected Island would be using PIRA's
2 May 2011 "low" and "high" forecasts respectively.

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5 A. The requested CPW differences are shown in the table below. Fuel sensitivities
6 were developed by applying annual factors to adjust the base case fuel costs.

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	Cumulative Present Worth (\$ M)		
	Isolated Island	Labrador Interconnection	Difference
Base Case: October 2010	8,810	6,652	2,158
Fuel Sensitivities:			
Fuel Costs: May 2011 Reference Forecast	9,695	6,889	2,806
Fuel Costs: May 2011 Low Forecast	6,139	6,215	(76)
Fuel Costs: May 2011 High Forecast	14,055	7,232	6,823

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10 Nalcor is of the view that the difference in the CPWs derived from the May 2011
11 Low Forecast is not material in the context of economic preferences for investment
12 decision making.

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14 Nalcor's recommendations to its shareholder at project sanction will be based on
15 the most current oil price forecast then available.