

1 Q. Navigant's report (Exhibit 101, p. 65 of 79) states:

2

3 "PIRA High and Low forecasts both have a similar probability of occurring. While it is
4 possible that fuel prices could be sufficiently low to render a CPW preference of
5 only \$120 million for the Interconnected Island alternative under the PIRA load
6 forecast, it is equally probable that fuel prices could be sufficiently high for the
7 Interconnected Island alternative to have a \$5,474 million CPW preference over the
8 Isolated Island alternative under the PIRA High forecast."

9

10 Does PIRA agree that both its High and Low forecasts both have a similar probability
11 of occurring?

12

13

14 A. As part of its oil market analysis for its Scenario Planning Service, PIRA develops and
15 reports probabilities for its reference, high and low price forecasts. At the time the
16 DG-2 fuel price inputs were prepared, the probability assigned by PIRA to its high
17 price forecast for benchmark crude was five percent greater than the probability
18 PIRA assigned to its low price forecast¹.

¹ Confidential Exhibit CE-35 Rev. 1, page 4.