

- 1 **Q. (Reference Application Volume 2, St. John’s North-Portugal Cove System Planning**
2 **Study, page11) Table 7 shows that Alternatives 1 and 2 are very close, only 2.6%**
3 **apart in the base case and basically no difference under the high load growth**
4 **scenario. Does NP consider this adequate for choosing one alternative over the**
5 **other? What level of accuracy is there in the cost estimates used in the analysis?**
6
- 7 A. The technical analysis completed as part of the *St. John’s North – Portugal Cove System*
8 *Planning Study* (“the Study”) confirmed that all alternatives would maintain an adequate
9 supply of electricity to customers in the Study area. The economic and sensitivity
10 analysis completed as part of the Study indicates that Alternative 2 is the least-cost
11 alternative under *all* studied cases. Based on these results, the Study recommends
12 Alternative 2 as the least-cost alternative to meet the long-term electrical requirements of
13 customers.
14
- 15 Newfoundland Power’s estimating process for substation, transmission and distribution
16 projects is based on actual historical labour and material costs, and is updated on an
17 annual basis to ensure a reasonable level of accuracy.