

1 Q. **Re: 2011 Capital Plan: 2010 Capital Expenditures Explanations**

2 Confirm that, with the cost overrun on this project, the Net Present Value  
3 calculation included in the Report at Tab 7 of Volume 2 of the 2009 Capital Budget  
4 would show an opposite result - i.e. the "stay off site" option would be preferred.

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7 A. The original Net Present Value calculation was based on a labour rate of \$25 per  
8 hour which was sufficient to confirm that the construction of the accommodations  
9 was the preferred option. The labour rate of \$52.50 was used in the recalculated  
10 Net Present Value calculation since it is a more accurate estimate of the rate that  
11 would be charged into the project. The results of the updated Net Present Value  
12 calculation are shown in Chart 1 and Table 1 below confirming that the Construct  
13 Accommodations is still the preferred option.

Chart 1

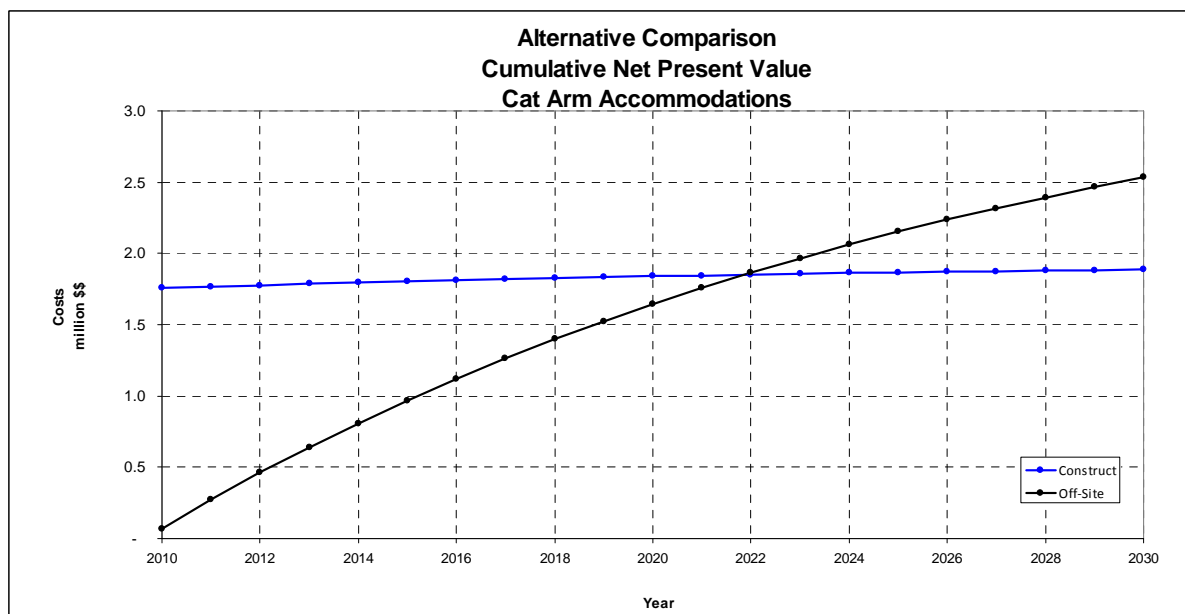


Table 1

Cat Arm Accommodations		
Alternative Comparison <i>Cumulative Net Present Value To The Year 2030</i>		
Alternatives	Cumulative Net Present Value (CPW)	CPW Difference between Alternative and the Least Cost Alternative
Construct Accommodations Stay Off-Site	1,887,752 2,533,795	0 646,043