

1 Q. Consumer Question: This question is in reference to a study commissioned in the  
2 1971-1975 period by then Premier Frank Moores. Frank Moores paid 1.5 million  
3 dollars to a company to drill down to the bedrock in the Labrador Straits. The  
4 company was unable to get the drill equipment down due to the water pressure in  
5 this area. This area is the same area that Nalcor is proposing to lay a cable on the  
6 sea floor. The pressure (caused by the principle of Bernoulli Effect) will not permit  
7 the cable to sit on the sea floor. Frank Moores went to Plum Point/St. Barbe and  
8 sand a hold in the ground here and another hole was dug on the Labrador side  
9 (Blanc St. Blanc) area. This is when he was considering the idea of a tunnel.  
10 However, the company hired to drill down to the bedrock on the sea floor was  
11 unable to get the drill to the bottom due to huge pressure in this area. If this could  
12 not be done, then it will also be impossible for Nalcor to lay a cable on the "same"  
13 sea bed floor. Remember, you can't compress water. Nalcor is presently proposing  
14 to dig two holes (one on the island side and one of the Labrador side) and come out  
15 about 2 km on the horizontal and pull the cable across the bed floor. It appears this  
16 may not be feasible.

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18 (a) Has the cost of digging two holes and trying to lay the cable on the  
19 sea bed floor been included in the overall cost?

20 (b) Are all the other contracts (eg. The 50 million dollar contract to SNC  
21 Lavalin) been added into the overall cost?

22 (c) Are there other contracts (i.e. Manitoba Hydro and other preliminary  
23 contracts) been factored into the overall cost or did government and  
24 Nalcor keep these separate?

1 A. Nalcor has undertaken extensive surveys and has completed a variety of  
2 investigations, including drill programs, at the Labrador and Newfoundland landing  
3 sites as well as the entire subsea route. Based on the results of these investigative  
4 activities, Nalcor is confident the cables can be successfully laid on the seabed.

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6 (a) estimated costs of horizontal directional drill access from both sides as well as  
7 subsea cable supply, placement, and protection were included in Nalcor's DG2  
8 estimates.

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10 (b) estimated costs of engineering, procurement, and construction management  
11 services were included in Nalcor's DG2 estimates.

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13 (c) the cost of the PUB review and associated expenses were not factored into  
14 Nalcor's DG2 estimates, as they were not foreseen when the DG2 estimates  
15 were prepared.

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17 All estimated and incurred costs will be updated as part of Nalcor's DG3 analysis  
18 and included in Nalcor's DG3 capital cost estimate.