Q. Consumer Question: Nalcor's Submission to PUB p128 of 158. The in service 2041 price for Churchill Power was the projected New York market price. Please use a projected cost of Churchill Falls power in 2041 as a basis for the CPW calculation?

A. Nalcor has described the generation expansion plan with continued use of Holyrood until 2041 and imported power from Churchill Falls after 2041 on page 128 of its Submission. The pricing assumption used for Churchill Falls energy was the projected New York market price. The CPW of this scenario is $7,935 million (2010$)[1], which is $1,283 million greater than the Interconnected Island reference case of $6,652 million.

Assuming a projected cost of Churchill Falls power in 2041 and beyond of $2/MWh, the CPW for this 2041 Labrador Interconnection case declines to $7,148 million ($2010), which is $496 million greater than the Interconnected Island reference case of $6,652 million. As indicated in Nalcor's response to PUB-Nalcor-55, "Since this scenario assumes that the Province will forgo export revenue from Churchill Falls, the same assumption should be applied to the Interconnected Island alternative."

Applying this assumption for all energy supply from Labrador to the Interconnected Island expansion plan, the CPW declines to $5,898 million ($2010). With this assumption consistently applied to both alternatives, the CPW preference for the reference interconnection case over the 2041 interconnection case is $1,250 million ($2010).

[1] Nalcor's Submission, Table 29, page 126