

1 Q. On pg. 4, lines 18-19 of the Executive Summary it is stated that Nalcor was directed
2 to progress the development of the Lower Churchill by the Government's 2007
3 Energy Plan. Please describe the weight/priority placed by Nalcor on this direction
4 and describe how Nalcor incorporates this direction in its short and long-term
5 business plans and corporate strategy.

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8 A. Nalcor's planning efforts in respect of the Lower Churchill are consistent with
9 direction provided by Government, either directly or through the *Energy Plan*.
10 Nalcor has incorporated this direction in its business strategies, annual budgets, and
11 corporate plans. Nalcor has established a separate division to assess and progress
12 the Lower Churchill, and the Lower Churchill Project division has support from all
13 functional groups within the organization. These groups have been provided with
14 the necessary resources and budget in order to execute their Lower Churchill work
15 plans.

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17 Nalcor's business plans and corporate strategies are confirmed by the results of the
18 DG2 decision reached by Nalcor in the fall of 2010, which concluded that Muskrat
19 Falls and the Labrador Island Transmission Link represent the long term least cost
20 supply alternative for the Island of Newfoundland. The DG2 decision was not
21 influenced by the *Energy Plan*, but was arrived at as a result of Nalcor's economic
22 analysis.