

Interior to Lower Mainland Project - Costs

1. Does the cost (\$531M to \$726M) include inflation?

Inflation is included in the cost estimate. The range of inflation is \$81.5 million to \$111.5 million

2. If the cost includes inflation, what inflation rate(s) were used?

The following inflation rates were used:

2007	6%
2008	5%
2009	5%
2010	4%
2011+	3%

3. If the cost includes inflation, what in-service date was assumed for the project

The assumed in-service date for the project is October 31, 2014.

4. What is the year that the estimates are based on?

The estimates are based on 2007 dollars.

5. Do the estimates include an allowance for BCTC and BCH Engineering corporate overhead?

The estimate does include an allowance for the corporate overhead rate. The forecasted overhead is between \$14.8 million and \$20.2 million.

6. If the costs are in uninflated dollars, do they include interest during construction?

As indicated, inflation is included in the cost estimate. The estimate also includes an allowance for interest during construction (IDC). The estimated IDC is between \$58.4 million and \$79.9 million.