

Rec. No.: L010-B011-202-010701

November 7, 2011

Ms. Cheryl Blundon
Director, Corporate Services & Board Secretary
Board of Commissioners of Public Utilities
P. O. Box 21040, 120 Torbay Road
St. John's, NL A1A 5B2

Dear Ms. Blundon:

Re: Reference from the Lieutenant Governor in Council on the Muskrat Falls Project (the "Review")

Nalcor has received your letter of October 25, 2011. First and foremost, we acknowledge and respect the Board's need to have a complete record of information, including Nalcor's filing, exhibits, and responses to information (RFI) filings in an expeditious manner. To date, Nalcor has been unable to meet the Board's expectations in this regard and we accept responsibility for any delays, misunderstandings and incorrect information provided to the Board in the letter of October 20, 2011.

Nalcor has committed to make its formal submission to the Board on or before November 10, 2011. Nalcor also understands the importance to the Board of having firm targets for the completion of the MHI and Board information requests. The status of all outstanding RFI's will be updated and reported to the Board at the end of this week.

Nalcor also understands the Board expects RFI's to be completed in parallel with our formal submission. We respectfully request that a new deadline be considered for completion of existing and outstanding RFI's. Nalcor is prepared to submit outstanding RFI's by November 24. The outstanding RFI's include a series which require intensive and time consuming Strategist runs that we are unable to complete by November 10.

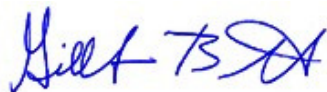
Further to our meeting of October 28, 2011, and the correspondence received from the Consumer Advocate on October 28, 2011, we have begun to screen our confidential exhibits and to abridge or redact them to permit public release. We are prioritizing our screening based on the priority list included in the Consumer Advocate's letter. We agree that completion of this process is important to facilitate public participation in the review process. The status of our progress in screening the confidential exhibits for release will be included in our progress update to the Board.

We are also revisiting the answers previously supplied to some RFI's in an effort to provide more specific responses and context to responses already filed, and have initiated a more comprehensive review process to ensure that we address the questions as posed. To this end, we will be prioritizing the preparation of revised responses to RFI's: MHI-Nalcor-58, 60, and 67; as well as PUB-Nalcor-7, 8, 9, 65, 66, 92, and 107.

Effective immediately, I will be assuming direct and day-to-day responsibility for matters relating to the Muskrat Falls review, and my contact information is provided below. Can you please ensure that Mr. Geoff Young is copied on correspondence from the Board to Nalcor on this matter for effective records management. I also wish to advise the Board that Nalcor has recently retained the services of Thomas J. O'Reilly, Q.C. of the law firm, Cox and Palmer, as Legal Counsel in relation to the Muskrat Falls review process.

In closing, I would like to personally emphasize that Nalcor Energy respects the Board's responsibility and oversight on this matter, and welcomes the Board's questions and analysis of the reference question. Throughout the Muskrat Falls development, we have encouraged and welcomed independent reviews and assessments and the PUB review is a valuable assessment process for the project. We also value a positive working relationship with the Board and will endeavor to eliminate misunderstandings as we move forward. I look forward to receiving favorable consideration to Nalcor's request for an extension to November 24, 2011, as the new deadline for the completion of all remaining RFI's.

Sincerely,



Gilbert Bennett, P. Eng.

Vice President, Lower Churchill Project
709-737-1836

