



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

ST. JOHN'S OFFICE

120 Torbay Road
P.O. Box 21040
St. John's, Newfoundland and Labrador
Canada, A1A 5B2
Fax: (709) 726-9604

GRAND FALLS-WINDSOR OFFICE

18 High Street
Grand Falls-Windsor
Newfoundland and Labrador
Canada, A2A 1C6
Fax: (866)-489-8879

E-mail: gyoung@nlh.nl.ca

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Mr. Geoffrey P. Young
Senior Legal Counsel
Nalcor Energy
P. O. Box 12800
Hydro Place, 500 Columbus Drive
St. John's, NL
A1B 4K7

Dear Mr. Young:

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

This letter is in response to your letter of October 20, 2011.

The Board had asked for a response to our September 14th letter by September 16th for certain information and September 19th for other information. The Board notes that it took more than four weeks for your response.

Your letter contains a number of inaccuracies which must be corrected for the record as follows:

1. At a meeting on June 17th Nalcor stated its Submission would be filed by the end of July. This was confirmed in our letter of July 12th and at a meeting attended by a Nalcor representative on July 20th. We are therefore surprised to read in your letter that Nalcor "*had not committed to that date*".
2. The Board was not involved in any "*collective decision*" that the Submission would be delayed until the completion by Nalcor of requests for information from Manitoba Hydro International Ltd. ("MHI").

3. As confirmed at the meetings on July 20th and September 12th it was always contemplated that the MHI report would be finalized and filed after Nalcor's Submission.
4. Nalcor had not provided a list of confidential exhibits to the Consumer Advocate as stated on October 20th, the date of your letter. We understand that this list was provided late on October 21st, after it had been brought to your attention that such list had not been provided as stated.
5. The Review was initiated in mid-June, which is more than four months ago, not three as stated.
6. While the numbers are continually changing as new information is filed, Nalcor had, as of October 20th, (the date of your letter) filed answers to 166 requests for information and not 187 as stated.
7. There were responses to six requests for information (not five) outstanding for MHI as of October 20th.

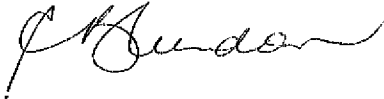
Regarding the filing date for Nalcor's Submission, the Board did not initially request that Nalcor file its Submission in July. At a meeting with Board staff on June 17th, Nalcor advised that its Submission would not be ready until the end of July and the Board acquiesced to this date, although it would have preferred to have received it by the end of June along with other information requested in our letter of June 17th.

The Board has consistently communicated that it is critical to receive Nalcor's Submission as well as responses to MHI's requests for information and those of the Board prior to the MHI report being finalized. At a meeting attended by a Nalcor representative on July 20th, a written preliminary schedule was discussed which stated, based on Nalcor's previous advice, that the Submission would be filed by July 27th followed by the MHI report in September and then public consultations. On August 2nd Nalcor sent a status update to the Board on outstanding information requests which stated that the Submission was then *"target mid to late August"*. By e-mail dated August 3rd, to Nalcor, Board staff stated that *"We are very concerned that certain information will not be available until late August, including possibly your submission"*. On September 8th, a meeting was requested with Nalcor which occurred on September 12th to discuss the outstanding information, including the Submission, and its impact on the Review and the schedule, including finalization of the MHI report. If there were *"a collective decision"* by Nalcor and Board staff to delay the Submission until after responses to MHI requests for information or issuance of MHI's report, there would have been no need for the August 3rd e-mail or the discussion at the September meeting on the Submission date or the letter of September 14th.

Both Nalcor's Submission and replies to requests for information are required and should be addressed in parallel by Nalcor. The Board reiterates that all requests for information must be answered prior to the finalization of MHI's report. The issue of confidential information, including the screening process, referred to in our letter of September 14th must also be dealt with to ensure that the Consumer Advocate and other participants have access to appropriate information to allow effective participation.

Once the Board receives all the information requested in our letter of September 14th, in particular a firm date that the responses to all MHI and the Board's information requests will be available and the time and process for screening confidential information, it will be in a position to re-assess the schedule for the Review and to request an extension from Government to complete the review and its report.

Yours truly,



Cheryl Blundon
Board Secretary

CB/bt

c.c. Thomas Johnson, Consumer Advocate – E-mail: tjohnson@odeacarle.nf.ca
Randell Earle, Q.C., - E-mail: rearle@odeacarle.nf.ca