



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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The Honourable Jerome P. Kennedy, Q.C.
Minister
Department of Natural Resources
Government of Newfoundland and Labrador
7th Floor, Natural Resources Building
50 Elizabeth Avenue, St. John's, NL
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Dear Minister:

Re: Muskrat Falls Review

This is in reply to your letter of December 12, 2011 and OC2011-381 which extends the date for the filing of the Board's report in relation to the Muskrat Falls Review to March 31, 2012. I am writing to formally request an extension of the date for the filing of the Board's report to June 30, 2012.

The reason this extension is necessary is Nalcor's failure to provide the required information in a timely fashion. This review began in June but as of late November Nalcor was still filing significant new information. Between November 10 and November 24, 2011 Nalcor filed its submission as required by the Terms of Reference, a detailed study in relation to reliability, responses to 115 requests for information and 12 additional exhibits. This new information is now being reviewed and assessed and additional requests for information will be issued so that Manitoba Hydro International Ltd. ("MHI") can finalize its report and we can begin the public consultation process.

Given Government's desire to have this review completed in March we have reconsidered the work that remains to be done to see if there are opportunities to make up for the time lost as a result of the late filings by Nalcor. Unfortunately, I must advise that it is not possible for this review to be completed any earlier than the end of June 2012. The full and fair participation of the Consumer Advocate as well as the public hearing required by section 5 of the *Electrical Power Control Act, 1994*, SNL 1994, c. E-5.1 will dictate the schedule until late spring and it is only then that the Board

can begin to write its report. For your information a tentative schedule is set out below:

January 27, 2012	MHI files its report
January 30, 2012	Notice of Public Consultation
February 1-15, 2012	Requests for Information
February 29, 2012	Technical Reports
March 1-15, 2012	Requests for Information
March 26-30, 2012	Technical Conference
April 2-13, 2012	Public Consultations
April 30, 2012	Submissions
June 29, 2012	Board report

On December 15, 2011 the Consumer Advocate wrote the Board to say that a date earlier than June 30, 2011 *"...would not be achievable having regard to the complexity and importance of the matter at hand and the need for not only a due process but due deliberation."* He expressed his concern that there be reasonable timelines established to receive and conclude a review of the evidence, ask appropriate questions, receive and review the responses and prepare a report.

As you note in your letter, this matter is of fundamental importance to the Province. Given the magnitude of the capital costs, the complex technical nature of the information to be considered, and the significance of the matter for the Island Interconnected electrical system and the Province in general, the Board must ensure a full and comprehensive review with full opportunity to the Consumer Advocate and other interested persons to participate.

I look forward to your reply.

Sincerely,



Andy Wells
Chairperson & Chief Executive Officer