





considerations. The analysis would address domestic demand projections, conservation and demand management, alternate on-Island sources, the role of power from Churchill Falls, Nalcor's cost estimates and assumptions with respect to its no-Power thermal option, the possible use of offshore gas as a fuel for the Holyrood generating facility, cash flow projections for Muskrat Falls, and the implications for the province's ratepayers and regulatory systems."

We made many of the same arguments in our presentation to the Board.

The Report was entered into the record on February 29, 2012 so Nalcor did have an opportunity to critically examine its evidentiary underpinnings. We also note that the Panel reported last August so Nalcor has no doubt given careful consideration to its findings in the intervening period. The environmental recommendations did address the issues of Project need and alternatives to the Project, as the Terms of Reference required, and did consider many of the issues now before the Board.

As a result we submit that the Board should give significant weight to the Report of the Joint Review Panel given its extensive mandate and hearing process and its relevance to the Reference Question, and, more importantly, to the broader question of how best to meet the future energy needs of the province and by ensuring that due diligence occurs on the most significant and costly capital project ever proposed for Newfoundland and Labrador.

Furthermore, the decisions which both governments will take with respect to the recommendations of the Joint Panel are likely to impact on the capital cost of the Interconnection Option. In addition, implementation of the Joint Panel's recommendations for mitigation of environmental damage, which are different than those proposed by Nalcor, has the potential to alter the selection of the least cost option. We note that neither government has responded to the recommendations of the Joint Panel with respect to the generation component of the project.

We raise similar concerns with respect to the environmental assessment of the Labrador-Island sub-sea crossing and transmission line, which may lead to decisions which might increase the overall costs of the Interconnection Option beyond those presently before the Board.

We note that the Reference Question is linked directly to a comparison of the overall costs of the two energy alternatives.

Yours truly

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Ratepayers

c.c.

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