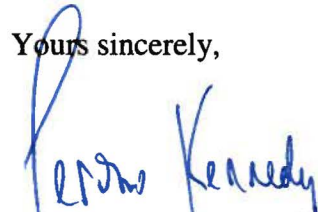


Your letter to the Board also addressed the fact that you have not been provided with certain confidential exhibits. This is a necessary limitation given the extreme commercial sensitivity of the confidential exhibits and the fact that Nalcor is precluded from producing others under non-disclosure agreements entered into with third parties. The Terms of Reference were drafted to ensure that the Board and its expert could conduct a complete examination of the Reference Question. In order to conduct a thorough review, it was imperative that the Board have access to all documents to which Nalcor had access. The Consumer Advocate's role is to ensure that a thorough analysis is completed by the Board. It was not contemplated that the Consumer Advocate would complete its own independent analysis of the project.

Meeting the March 31, 2012, deadline for a report will require significant effort by the Board, the Consumer Advocate, and Nalcor. The role of the Consumer Advocate is to assist the Board in this process by making representations on behalf of electricity ratepayers into the processes established by the Board. We expect that contribution to be on an informed and expert basis within the terms of reference. We are prepared to provide assistance as may be requested in the Consumer Advocate's fulfillment of this important role.

Yours sincerely,



Jerome P. Kennedy, Q.C.
MHA, Carbonear-Harbour Grace
Minister of Natural Resources