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Muskrat Falls review on fast track

Consultations to be held in St. John's only

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Public consultations for three who want to chat up the Public Utilities Board (PUB) review of the Muskrat Falls proposal may end up resembling speed dating.

The PUB has told Natural Resources Minister Jerome Kennedy it has had to scale down the consultations, among other things, in order to meet a March 31 deadline to have its report done. The consultations on the review of the proposed hydroelectric project will now be offered only in St. John's and time limits may be imposed.

There will be no technical conference.

The PUB had envisioned an extensive review on Muskrat Falls similar to one conducted on automobile insurance rates in 2003.

In the ongoing drama over the review, PUB chairman Andy Wells and Kennedy have exchanged new letters.

The review process is set to take an interesting turn with little time left.

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"You can say that again," Wells told *The Telegram* Monday.

The PUB had hoped to have its deadline extended to June, because of delays getting information from Nalcor.

Kennedy has said he can't move the deadline because he wants the PUB report in time for the spring sitting of the House of Assembly.

So that leaves the PUB — which is expecting a report from outside expert Manitoba Hydro Inc. (MHI) this month — with little time for everything else.

"We don't want to make anybody's life difficult, but we've got that March 31 sword hanging over our heads," Wells told *The Telegram*.

Wells blames the problem squarely on Nalcor. And he said not only has Nalcor dragged its feet on filling information requests from both the PUB and consumer advocate Tim Johnson, but the documents have not been updated beyond December 2010, while costs, fuel forecasts and other aspects have most likely changed.

The December 2010 date is the time at which Decision Gate 2 took place on the Muskrat Falls process and the PUB was then given its terms of reference. Nalcor has been gathering information since that time for Decision Gate 3 — the time at which the project gets final sanction, if that happens.

Opposition Leader Dwight Ball



Andy Wells



Jerome Kennedy

told *The Telegram* it's shocking the consultations have been restricted and there will be no technical review.

Ball said many knowledgeable people have been looking forward to what will likely be their only opportunity to give public input. He said it won't be thorough if it's restricted to only St. John's.

Opposition energy critic Yvonne Jones, agreeing people across the island and in Labrador should have an opportunity to comment, called Nalcor irresponsible and Kennedy reckless, adding she'd rather see a proper process than a review rushed for the House.

"One of the problems we had from Nalcor, aside from their being untimely, was the incomplete nature of their replies," Wells said. "We're not doing this for the sake of being perverse or tormenting Nalcor. These are questions that the experts are advising us are necessary to be asked."

The PUB is not in charge of the review process — Natural Resources sets the timeline.

MHI is to have a draft report done by late next week. The PUB will reply to that, and Wells hopes to make public MHI's final report the last week of January.

Wells said the PUB then has to give notice on public hearings and allow people to digest the report, so that consultation process will come sometime around mid-February.

"We are doing in two weeks what we planned to do in two months," Wells said.

Nalcor issued a status report on the information requests last week.

"Sometimes in November after many representations to Nalcor, it was clear we were four months behind because of their inability for whatever reason to provide the comprehensive information we thought was necessary to properly do the job government gave to us," Wells said.

In his letter to Wells, Kennedy questioned whether the review needs to follow the scope of the auto insurance review.

"That activity was not burdened by the same time sensitivities as the current review," Kennedy wrote Wells. "Given that the terms of reference are confined to a review of whether Nalcor's proposal represents the least-cost option for the supply of power to island-connected customers, government queries whether all of the processes employed by the board in the insurance review are necessary in the board's review of the reference question."

Wells told *The Telegram* officials at the PUB found that process worked well, but it's the government's right to question it.

"The (insurance) process flowed fairly smoothly. That was kind of the way we were going to approach it. But I mean, that requires time," Wells said.

Kennedy offered Wells additional resources to meet the deadline, but Wells said the PUB has had the resources since June, and the problem remains with Nalcor.

Kennedy said in his letter he's issued new guidelines to Johnson.

Kennedy was unavailable Monday, but his office indicated he would comment today.

Nalcor said it has been busy filing information as best it can, but new requests keep coming in.

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