

NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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**MEDIA RELEASE**  
February 1, 2012

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**MUSKRAT FALLS REVIEW**

The Board of Commissioners of Public Utilities (the "Board") has now received the report of its consultant Manitoba Hydro International Ltd. ("MHI") with respect to the Muskrat Falls review. The MHI report and the submission filed by NALCOR on November 10, 2011, as well as all other documentation filed in connection with the review, can be viewed on the Board's website.

The Board also wishes to advise that Notice was published today setting out the process which will be followed for the remainder of the review. The Board will hear presentations from NALCOR and MHI beginning on February 13, 2012 and will hear presentations from other interested persons beginning on February 20, 2012. The Board's report will be provided to Government on March 31, 2012. Further details are set out in the attached Backgrounder and on the Board's website.

Information regarding the Board's process and schedule may be obtained from the Board Secretary:

Cheryl Blundon, Director of Corporate Services and Board Secretary  
Telephone: 726-8600  
E-mail: [ito@pub.nl.ca](mailto:ito@pub.nl.ca)  
Facsimile: 709-726-9604  
Long Distance: 1-866-782-0006

## BACKGROUND

### **The Public Utilities Board**

The Public Utilities Board is responsible for, among other things, the regulation and general oversight of the province's electric utilities, Newfoundland and Labrador Hydro and Newfoundland Power Inc. The Board does not regulate Nalcor.

### **Terms of Reference**

The Lieutenant-Governor in Council has directed the Board, pursuant to s. 5 of the *Electrical Power Control Act*, to review and report to Government on whether the development of the Muskrat Falls generation facility and the Labrador-Island Link transmission line represents the least-cost option for the supply of power to Island Interconnected customers over the period 2011-2067, as compared to a specific isolated Island option. In answering this question the Board has been directed to:

- consider and evaluate factors it considers relevant including Hydro's and Nalcor's forecasts and assumptions for the Island load, system planning assumptions, and the processes for developing and comparing the estimated costs for the supply of power to Island Interconnected customers; and
- assume that any power from Muskrat Falls generation facility which is in excess of the needs of the Province is not monetized or utilized, and therefore the Board shall not include consideration of the options and decisions respecting the monetization of the excess power from the Muskrat Falls generation facility, including the Maritime Link project.

The complete Terms of Reference can be found on the Board's website.

### **Scope of the Review**

As set out in the Terms of Reference the Board is required to report on two specific options - the Muskrat Falls project and the isolated Island option. The parameters of these two options are set out in the Terms of Reference and Nalcor's Submission. The Board is required to compare these two options and report on whether the Muskrat Falls project represents the least cost option. The Terms of Reference does not include any review of alternatives to either of these options, such as wind power or natural gas, the role of energy conservation and demand side management, environmental concerns or the impact on electricity rates to end users. The Board appreciates that these issues may be of interest to many people but as consideration of these issues is outside the scope of the referral and, given the limited time for the completion of the review, the Board is not able to hear presentations on subjects not included in the Terms of Reference.

The Board's final report must be provided to Government on March 31, 2012 and must answer the question set out in the Terms of Reference. In answering this question the Board will consider Nalcor's submission, MHI's report, answers to requests for information, as well as other information and documentation, letters of comment and final submissions from Nalcor, the Consumer Advocate and other interested persons.

**Reports, Documents and Other Information**

All available documentation in relation to the review can be viewed on the Board's website, including:

- i) the MHI report, dated January 2012;
- ii) the Nalcor Submission, filed on November 10, 2011;
- iii) the Exhibits filed by Nalcor throughout the review;
- iv) the Requests for Information and Responses;
- v) the Terms of Reference; and
- vi) correspondence.

**Confidential Information**

The Terms of Reference states that where Nalcor determines that any information to be given to the Board for the review is commercially sensitive, as defined in the *Energy Corporation Act*, it shall advise the Board, and the Board and its experts and consultants may use the information but shall not release the information.

Nalcor has advised the Board that it has made a determination that some of the information provided was commercially sensitive. This information is not publicly available but a list of the Nalcor Abridged and Redacted Exhibits can be viewed on the Board's website.

**Review Process and Schedule**

The Board has established the following process and schedule for the review:

**i) February 13-16, 2012 Presentations by NALCOR and MHI**

Both NALCOR and MHI will make presentations to the Board. Following each presentation the Consumer Advocate will have an opportunity to ask questions. Interested persons wishing to place a relevant question on the record may do so through the Consumer Advocate.

**ii) February 20-23, 2012 Other Presentations**

An interested person wishing to make a presentation to the Board must register in writing no later than Wednesday, February 15, 2012 and provide a brief outline of the presentation. Please note that all presentations must be within the scope of the review and, depending on the level of interest, may be subject to time limits.

**iii) February 29, 2012 Filing date for comments and additional information**

Letters of comment and additional information may be filed until Wednesday, February 29, 2012. Interested persons may choose to provide comments by completing the feedback form on the Board's website.

**iv) March 2, 2012 Final Submissions of NALCOR and the Consumer Advocate**

NALCOR and the Consumer Advocate will provide final submissions on Friday, March 2, 2012.

**v) March 31, 2012 Board's report provided to Government**

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All presentations, comments and submissions will form a part of the public record. A full name, address, phone number and/or email is required for contact purposes; however, personal and private information will not be released publicly without prior consent.

Presentations will be held in the Board's hearings room at 120 Torbay Road in St. John's. Upon request, the Board may also hear presentations by video conference.

All presentations are open to the public. The presentations will be webcast and will be available for viewing through the Board's website. Daily transcripts of the presentations will also be available. A schedule of the presentations will be posted on the Board's website when it is finalized.

#### **Consumer Advocate**

Government has appointed the Consumer Advocate, Thomas Johnson LLB, to participate in the review. Interested persons may contact the Consumer Advocate at the following address:

Mr. Thomas Johnson  
P.O. Box 5955  
St. John's, NL  
A1C 5X4

Phone: 709-726-3524  
Fax: 709-726-9600  
Email: [tjohnson@odeaearle.ca](mailto:tjohnson@odeaearle.ca)

#### **Board contact information**

Correspondence and other documents may be filed with the Board by email, mail or fax at the following address:

Ms. Cheryl Blundon, Board Secretary  
Suite E210, Prince Charles Building  
120 Torbay Road, St. John's  
P.O. Box 21040  
St. John's, NL  
A1A 5B2

Phone: 709-726-8600; Toll-free: 1-866-782-0006  
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