

MINUTES OF THE SIXTH MEETING OF THE BOARD OF DIRECTORS OF ENERGY CORPORATION OF NEWFOUNDLAND AND LABRADOR HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON THURSDAY, APRIL 24th, 2008 AT 8:00 A.M.

**Present in
Person:**

**J. Ottenheimer, Chair
C. Bennett
T. Clift
C. Kieley
K. Marshall
E. Martin
G. Shortall
E. Turpin**

**Present by
Invitation for
Part of the
Meeting:**

**Derrick Sturge, Vice-President
Finance and Chief Financial Officer**

**Gilbert Bennett, Vice-President
Lower Churchill Operations**

**Jim Keating, Vice-President Business
Development**

Secretary:

W. Chamberlain

52. CONSTITUTION OF THE MEETING

Notice for the meeting was sent on April 4, 2008. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

D. Sturge joined the meeting.

53. SAFETY MOMENT

E. Martin completed a safety moment on CF(L)Co taking safety to the shop floor.

54. VERIFICATION OF MINUTES

Copies of the minutes of the **FOURTH and FIFTH** meetings held on March 7, 2008 and March 28th, 2008, respectively, were included in the meeting papers circulated prior to the meeting.

On motion duly made by K. Marshall, seconded by T. Clift and unanimously carried, it was resolved:

THAT the minutes of the **FOURTH and FIFTH** meetings of the Board of Directors of Energy Corporation of Newfoundland and Labrador held on March 7th and March 28th, 2008, respectively, which minutes are currently before this meeting, be and they are hereby verified as being correct; and

THAT the Chairman be and he is hereby authorized to verify minutes by signing the Minute Book.

55. BUSINESS ARISING**56. Bull Arm Corporation (Minute #43)****57. 2008 CORPORATE PLAN**

E. Martin reviewed the 2008 Corporate Plan that was included with the Board papers. Focus groups of employees from all areas of the company were established to review each of the corporate goals, 5 and 10 year outlook and past performance. The Goal groups included a Leadership Team member and the Corporate objectives were revisited and reviewed for 2008 and for the next 5 year period. The Leadership Team reviewed the goals and objectives to ensure

that resources are available to achieve them within the established time frames. The next cycle will include an offsite meeting with the Board in 2009.

C. Kieley joined the meeting.

E. Martin circulated the Employee Opinion Survey (EOS) Results from 2007. The survey identifies areas of improvement and areas where improvement is required. The long term objective is to be recognized as one of Canada's best employers.

C. Bennett suggested that in addition to the recruitment of Newfoundlanders and Labradoreans and Canadians that the Corporation may also want to consider immigration as a possible solution to the anticipated labor shortage. E. Martin agreed that immigration may assist in resolving the anticipated labor shortage and will be given serious consideration.

E. Martin confirmed that the Corporation is currently reviewing the Corporate succession plan and will bring to the Board for review when completed.

58.

PRESIDENT'S REPORT

CORPORATE PERFORMANCE REPORT MARCH 2008

E. Martin reviewed the 2008 Corporate Plan Monthly Performance Report March 2008 that was included with the Board papers. With respect to safety there are a few safety issues as the current lagging indicators have changed and are currently at 3 lost time injuries and 3 medical aid injuries and 4 of the 7 are CF(L)Co injuries. The target for lost time injuries has been hit and the medical aid injuries target is trending high and is 1 below the target. As a result of the increase in injuries reporting will need to increase proportionately to achieve the lead to lag ratio of 250:1.

The safety framework is in place and currently assigning accountability for safety to front line as processes are now in place. Progress is being made but we are not best in class and need to improve the safety culture. The 4 categories of the roadway to safety leadership were reviewed and we are likely at Dependent (Zero is Difficult) and working towards Independent (Zero is Attainable).

The short term initiatives to respond to recent injuries were reviewed as well as the 5 year targets, initiatives and areas of focus.

It was suggested by C. Kieley that the Corporation may want to consider including a safety message on new corporate ID cards.

The EMS targets were reviewed and progress is good. The Holyrood Generating Station Operating Time 2008 performance was reviewed and in March 18.2% of the 19.1% of thermal variance was related to equipment failures. The recovery plan was reviewed which includes a capital spares assessment, improvement in work protection/isolation processes, superheater replacement and a long term management plan.

The performance with respect to the other Goals was reviewed including the failure to meet the Holyrood hydro winter availability target due in part to the aforesaid equipment failures. A 20 year asset management plan is being prepared to address operational concerns and will be presented to the PUB at a future date.

G. Bennett joined the meeting.

59. BUSINESS UNIT REPORTS**60. Lower Churchill Update**

G. Bennett reviewed the Lower Churchill Project Update that was included with the Board papers. E. Martin advised that a decision will be required soon with respect to the approval of significant expenditures. There is good value in undertaking front end engineering and should the project not proceed we will be able to explain and provide reasons why we proceeded and made the expenditure commitments.

G. Bennett reviewed and provided an update on the following functional areas: commercial and market access, engineering, environmental assessment and aboriginal. The markets and market access issues were reviewed and updated information and status on possible customers including the refinery, aluminum companies interested in developing an aluminum smelter and Ontario and Maritime Province markets was provided. An update was also provided with respect to the complaints filed and being filed with the Regie regarding the HQT OATT application and the status of water management negotiations and legislation.

High level engineering findings were outlined whereby the diversion tunnel relocation was explained and the resulting drilling program in 2008. The submarine HVDC did not have any show stopper issues.

The major developments associated with the environmental assessment were reviewed and G. Bennett advised that as a result of delays in part associated with the guidelines and the federal-provincial consultation agreement the EA process could run into late 2009.

The status of the IBA negotiations and associated major outstanding issues were reviewed and it is likely that these remaining issues will require provincial government intervention.

C. Bennett left the meeting.

G. Bennett provided and reviewed at the meeting the LCP Cost Expenditure Forecast to Gates 2a and 2b. The costs incurred up to December 31, 2007 were reviewed as well as the costs expected to be incurred up to Gate 2a (\$138.8 million) and Gate 2b (\$161.8 million) in 2008 which are both within the costs previously approved by the Board. The 2008 major deliverables were also reviewed.

G. Bennett left the meeting. J. Keating joined the meeting.

61.

Business Development Update





J. Keating reviewed the Business Development Update that was included with the Board papers. The progress of the oil and gas activities with respect to White Rose, Hebron, Hibernia South and natural gas were reviewed and along with highlights of other Business Development activities in the report.

J. Keating left the meeting.

62. FINANCIAL REPORT

63. Financial Summary

D. Sturge reviewed the Financial Results for First Quarter ended March 31, 2008 that was included with the Board papers. He advised that the new format will hopefully be satisfactory for both the Board and the Leadership Team. The Financial Results outlines the financial position overall and with respect to the segments of the business as well.

G. Shortall stated that the new format was a good presentation of the quarterly report. D. Sturge advised that in the future a quarterly report was being considered as part of potential changes to the Energy Corporation Act. E. Martin advised that an annual public shareholder meeting is also being considered.

D. Sturge advised that the debt guarantee fee will be waived by the Province effective for 2008. It is also expected that the Province will provide an equity injection and currently working on a higher ROE among other things.

**64. AMENDMENTS TO ENERGY CORPORATION
LEGISLATION**

E. Martin briefly reviewed the current status of the impending amendments to the Energy Corporation Act. The amending legislation is expected to be passed in the spring sitting of the House of Assembly.

The options being considered for the amending legislation may provide an exemption or limit the application of the following legislation with respect to new oil and gas company and Lower Churchill Project: ATTIPA, Transparency and Accountability Act and Public Tender Act. E. Martin advised that the alignment between Natural Resources and Energy Corporation has been of tremendous value in progressing this legislation.

65. OTHER BUSINESS

There was no other business.

66. NEXT MEETING

The next meeting will be held on Friday, June 27, 2008.

Messrs. Martin, Sturge and Chamberlain left the meeting for the in camera meeting of the Board.

67. IN CAMERA

Messrs. Martin, Sturge and Chamberlain returned to the meeting after conclusion of in camera meeting. The Chair advised that there were no additional comments.

68.

TERMINATION

There being no further business the meeting terminated.


Secretary

Verified at a meeting held on

June 26, 2008

John A. M. M. M.

Chair