

MINUTES OF THE TENTH 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 WEDNESDAY, OCTOBER 8th, 2008 AT 11:00 A.M.

Present in Person:

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

Present by Invitation for Part of the Meeting:

**Derrick Sturge, Vice-President Finance and Chief Financial Officer
Greg Jones, Vice-President Business Development (Acting)**

Secretary:

W. Chamberlain

98. CONSTITUTION OF THE MEETING

Notice for the meeting was sent on September 19, 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.

99. SAFETY MOMENT

E. Martin circulated and presented a safety moment on eye safety at home.

100. VERIFICATION OF MINUTES

A copy of the minutes of the **SEVENTH, EIGHTH and NINTH** meetings held on June 26, 2008, August 12, 2008 and August 18, 2008, respectively, were included in the meeting papers circulated prior to the meeting.

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

THAT the minutes of the **SEVENTH, EIGHTH and NINTH** meetings of the Board of Directors of the Energy Corporation of Newfoundland and Labrador held on June 26, 2008, August 12, 2008 and August 18, 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.

101. BUSINESS ARISING

102. Compensation Committee (Minute #85)

103. BOARD COMMITTEE REPORT

104. Audit Committee

G. Shortall reported that the Audit Committee met on September 9, 2008 and reviewed the external Audit Plan of Deloitte Touche including the proposed audit fees.

He further advised that the IFRS will come into effect in 2011 but the actual accounting will need to commence in 2010. A problem with the IFRS has been identified with respect to regulated utilities and Canadian Electrical Association is taking up these issues with the International Accounting Standards Board on behalf of the Canadian electric utilities. The use of sinking fund depreciation is not permitted under IFRS.

The Internal Audit reports and the 5 year Audit Plan were reviewed and both are coming along well as well as the implementation of the recommendations of the external review of the Internal Audit Department.

He also advised that the Committee requires additional members as the Committee has only two members.

There was some discussion concerning the Bull Arm Site Corporation (BASC) and E. Martin advised that management would provide an update on the transfer of the BASC at the next meeting.

105. PRESIDENT'S REPORT

106. Corporate Performance Review

E. Martin reviewed the 2008 Corporate Plan Monthly Performance Report for August 2008 that was included with the Board papers. The key accomplishments and areas for improvement were reviewed.

With respect to the Lower Churchill Project accomplishments in 2008 an agreement was reached with the Innu Nation leadership with respect to a New Dawn Agreement which provided for an Impact and Benefits Agreement (IBA) and addressed Upper Churchill redress and land claims. The 2008 engineering program was completed and negotiations have commenced with Emera and N. B. Power with respect to the market and sale of power in the Maritimes. Negotiations are continuing with respect to a potential aluminum customer in Labrador and the TransEnergie OATT process is proceeding with several complaints being filed with the Regie and the recent postponement of the hearing of the complaints to February 2009. An environmental panel has not yet been appointed with respect to the EA process.

The formal agreements referenced in the White Rose Framework Agreement are expected to be concluded within the next few weeks. The Oil and Gas Corporation of Newfoundland and Labrador Inc. was incorporated and the Hebron formal agreements were signed in August.

An update was also provided with respect to Bull Arm Site Corporation, wind developments and the other affiliated companies being Newfoundland and Labrador Hydro and Churchill Falls (Labrador) Corporation.

A review of the areas for improvement was completed including the delay in PPA and water management negotiations and a corporate recruitment and retention strategy.

A summary of upcoming matters was provided including Lower Churchill Transmission Line EIS submission and Engineering EOI, Hibernia South negotiations, Hebron Management Committee meeting, transfer of BASC, first power of both wind farms, Hydro Quebec recall contract negotiations and Holyrood fuel specification. The corporate branding is proceeding and with the corporate restructuring there will be a resulting leadership team reorganization.

107. BUSINESS UNIT REPORTS

108. Lower Churchill Update

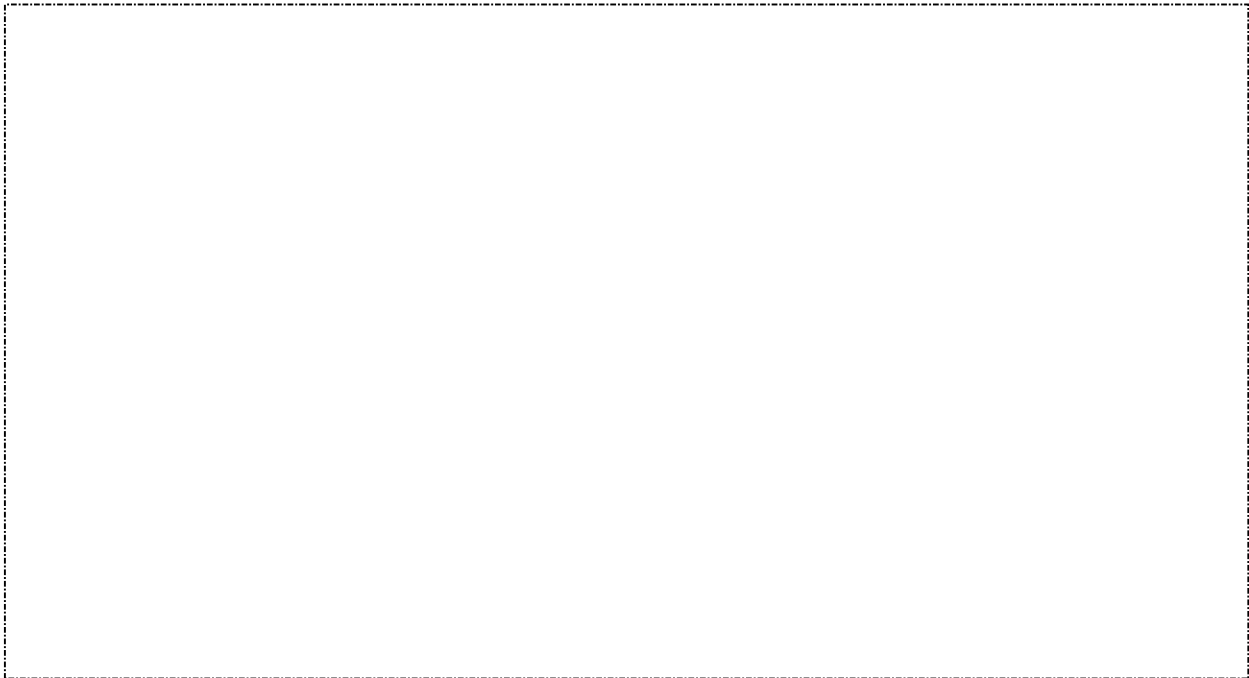
E. Martin advised that the update was provided in the President's Report and proceeded to briefly review the particulars of The Tshash Petapin Agreement (New Dawn Agreement) that was included in the Board papers.

G. Jones joined the meeting.

109. Business Development Update

E. Martin advised that the update was provided in the President's Report and referred the Board to the Business Development Update that was also included in the Board papers.

110. LABRADOR INDUSTRIAL RATES



G. Jones left the meeting.

111. FINANCIAL REPORT

112. Financial Summary

D. Sturge reviewed the Financial Results for the eight months ended August 31, 2008 that was included with the Board papers. Net income is higher than budget as a result of increased energy sales, lower interest costs, less borrowings including short term borrowing and lower operating and maintenance costs than budgeted.

113. OTHER BUSINESS**114. Board Governance**

T. Clift advised that the issues of Board composition and Board compensation remain outstanding and was seeking an update on the resolution of these matters. The Chair reported that a meeting was scheduled with this week with the Minister but has been postponed to October 14, 2008. The correspondence drafted by T. Clift will form the basis of the discussions with the Minister regarding Board composition, size and compensation.

115. NEXT MEETING

The next meeting will be held on Friday, November 21, 2008. Messrs. Martin, Sturge and Chamberlain left the meeting for the in camera meeting of the Board.

116. IN CAMERA

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

117. TERMINATION

There being no further business the meeting terminated.


Secretary

Verified at a meeting held on

November 21, 2008


Chair

ACTION LIST
 October 8, 2008

<p>October 8, 2008</p>	<p>Management to provide an update on transfer of Bull Arm Site Corporation (#103)</p>	<p>E. Martin</p>	<p>Nov. 21, 2008</p>
<p>October 8, 2008</p>	<p>Management to review safety framework and Jim Stewart model (#6188)</p>	<p>E. Martin</p>	<p>Nov. 21, 2008</p>