

**MINUTES OF THE TWENTY-EIGHTH SPECIAL MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN MEETING ROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON FRIDAY, SEPTEMBER 10<sup>th</sup>, 2010 AT 09:20 A.M.**

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**Present:** J. Ottenheimer, Chair  
E. Martin  
G. Shortall

**Present by Telephone:** C. Bennett  
K. Marshall

**Absent:** T. Clift

**Secretary:** W. Chamberlain

**383. CONSTITUTION OF THE MEETING**

Notice of the meeting was forwarded to Directors on September 9, 2010. A quorum of Directors being present, the meeting was duly called and validly constituted.

**384. SAFETY MOMENT**

Mr. Shortall provided a safety moment on highway driving safety.

**385. CHHC INTEREST UPDATE**

**386. LABOUR RELATIONS****387. LOWER CHURCHILL PROJECT - MUSKRAT FALLS  
UPDATE**

Mr. Martin reviewed a presentation on Monetizing Muskrat Falls dated August 26, 2010 which was circulated to the Board by email on September 9, 2010.

Mr. Martin reported that a meeting was held with Emera Inc. since the last Board meeting with respect to the Muskrat Falls project and the delivery and wheeling of energy by means of the proposed Maritime Link from Newfoundland to Nova Scotia, New Brunswick and New England. As a result of these discussions a Term Sheet has been prepared to reflect the principal terms and conditions that were discussed and it will be sent to Emera for review and comment later today.

Mr. Martin proceeded to review the presentation and noted that the purpose of the presentation was to summarize how the full output of the Muskrat Falls project could be monetized, summarize the current discussions with Emera and ensure there is alignment prior to the delivery of the Term Sheet to Emera.

Mr. Martin reviewed the commercial structure including the three blocks of power (NL block, NS block and Remaining Power block) and project cost assumptions with respect to these blocks. He also reviewed the various options with respect to the Remaining Power block.

He advised that NSPI plans to include a share of transmission assets into its rate base and that the value of these assets would be limited to the amount of NSPI's

28<sup>th</sup> Nalcor Energy Special Board Meeting  
September 10, 2010  
Page 3 of 5

contribution. Nalcor is seeking transmission access not only on the Maritime Link but also through to Nova Scotia, New Brunswick, PEI and New England.

Mr. Martin also summarized the value received by the various parties with respect to this transaction. There was discussion around communication planning associated with this project and transaction.

It was agreed that the Corporation should continue with the negotiations and discussions with Emera.

Messrs. Martin and Chamberlain left for the In Camera and returned after the In Camera.

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~~386.~~

#### IN CAMERA

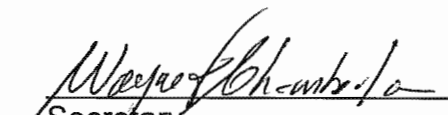
The Chair thanked Mr. Martin for the update. The Chair expressed the concern of Board members that the Board had not been receiving notice of or invitations to attend functions or public announcements where the subject matter pertains to the Corporation. He referred to the recent address by the Premier at the Board of Trade luncheon and advised that Board members would like to have had notice of and/or attended this function.

Mr. Martin advised that he will ensure that Board members are provided notice of and where appropriate invited to attend such functions.

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#### TERMINATION

There being no further business, the meeting was terminated.

  
Secretary

28<sup>th</sup> Nalcor Energy Special Board Meeting  
September 10, 2010  
Page 4 of 5

Verified at a meeting held on

Sept. 24, 2010

John [Signature]

Chair

**ACTION LIST**  
 September 10, 2010

November 21, 2008	Management to provide a presentation on historical information on oil and pricing in the oil commodity market (Minute #124)	E. Martin	Future Meeting
September 25, 2009	Management assess the need for any further indemnities that may be required with respect to other officers of Nalcor Energy that are also officers of CF(L)Co.	E. Martin	Future Meeting
April 30, 2010	Review Committee Meeting Minutes	J. Ottenheimer/ E. Martin/ D. Sturge/ P. Hickman	September 24, 2010
June 25, 2010		E. Martin	Future Meeting
June 25, 2010		E. Martin	