

MINUTES OF THE FORTY-FOURTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN MEETING ROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON MONDAY, JANUARY 23, 2012 AT NOON.

Present in Person: E. Martin

**Present by Telephone: C. Bennett, Chair
T. Clift
G. Shortall
K. Marshall**

Secretary: W. Chamberlain

589. CONSTITUTION OF THE MEETING

Notice for the meeting was forwarded to Directors on January 22, 2012. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

590. SAFETY MOMENT

Mr. Chamberlain provided a safety moment on clearing snow from the top of your vehicle before driving in winter conditions.

591. LOWER CHURCHILL PROJECT UPDATE

Mr. Martin advised that the purpose of the meeting is to provide an update with respect to Lower Churchill Project ("Project") matters in particular. He advised that Mr. Wade Locke at MUN made a presentation which was supportive of the Muskrat Falls project. He also noted that a meeting was held on the weekend to review and discuss the coordination of communication with government and Nalcor regarding the Project. Ms. Dawn Dalley is putting together a framework to progress the discussions and development of a coordinated communications plan.

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There was quite a lot of discussion about what support the Board members could provide with respect to communications regarding the Project. Ms. Bennett advised that she had discussions with Mr. Martin and Ms. Dalley to explore this further and concluded that there is limited, if any, benefit to individual Board members making public statements to support the project and counter the negative messaging from persons opposing the Project.

The Board members advised that they were uncertain what information they could share with third parties when speaking to individuals about the Project and concluded that for them to be able to appropriately respond individually to people, that they would require simple, concise and consistent messages about the Project and its benefits. Mr. Shortall suggested that any of the information in the Navigant Report could be communicated by Board members in their communications with individuals.

Mr. Martin advised that the MHI report is expected to be released on Friday.

He advised that Newfoundland and Labrador Hydro has undertaken a lot of work and effort to respond to employee concerns at the Holyrood Generating Station and to engage employees on the outcomes and providing guidance and assistance regarding training and career planning to respond to concerns being relayed by employees.

Ms. Bennett suggested that the Benefits Agreement with respect to the Project is significant with respect to job creation and the messaging needs to be communicated.

Mr. Martin provided an update with respect to the Emera negotiations and advised that meetings were held before Christmas in an effort to settle the outstanding issues but were unable to finalize some outstanding issues. The negotiations have been ongoing in January and the parties have concluded that

the agreements will not be signed by January 31st as there are still outstanding issues. Very good progress has been made to progress the agreements between the parties and will need to further extend the timeline to conclude the agreements.

He also provided an overview of the progress being made with respect to DG3 including trending related to capital costs and financing costs.



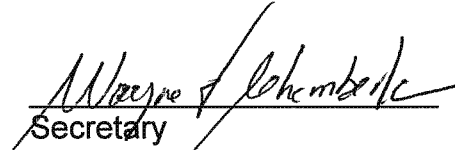
He advised that there was nothing further to report with respect to Unit A2 in Churchill Falls and that the repair work in progressing.



592.

TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

March 2, 2012

Carol Benson
Chairperson