

- Receipt of all required environmental permits and approvals. Note: This may require Federal/Provincial ministerial intervention with respect to the Environmental Panel's report. Any environmental measures to be included in the Design Basis as part of the environmental approval are to be factored into the updated project schedule and costs.
- Completion of the Horizontal Directional Drilling (HDD) field investigation program in the Strait of Belle Isle, with an update of the marine crossing design and risk study.
- Confirmation of appropriate mitigation strategies to prevent adverse ratepayer implications due to potentially higher initial tariffs associated with the Infeed Option.
- Update of the Project Risk Assessment and an appropriate strategic reserve amount to be applied to the project.

Although outside the scope of the Reference Question, one item which would normally be included in a decision of this magnitude is evidence of a concluded and successful Power Export Agreement. A signed Agreement between Nalcor and Emera would provide a level of comfort to ensure the value of the Muskrat Falls and Labrador Island Link initiative has been maximized, and will improve the level of operational reliability.

Yours truly,

Paul Wilson, P. Eng.
Managing Director, Subsidiary Operations
Manitoba Hydro International Ltd.

plw / DG3 Items - M Greene - 21 February 2012