

From: Paul Wilson <plwilson@mhi.com>
Sent: Tuesday, September 4, 2012 2:15 PM
To: David Jacobson <dajacobson@hydro.mb.ca>
Subject: Re: Draft Final report - MHI DG3 review

The 400 million was from the DG2 estimate and it may be even more now. Tomorrow I meet with Charles on both docs, then Thursday or Friday with Nalcor.

Paul
Regards,
Paul Wilson
Message sent by Blackberry

From: Jacobson, David [mailto:dajacobson@hydro.mb.ca]
Sent: Tuesday, September 04, 2012 02:48 PM
To: Paul Wilson
Subject: RE: Draft Final report - MHI DG3 review

Good points. I didn't see the \$400 million mentioned in the report. On Page 4 it says significant costs would be added narrowing the gap between the options. When I read this, I expected close to a \$2 Billion adder. Even at \$400 million increase, there still is a significant gap between the two options. It might be worthwhile to quantify to ensure the Interconnected option is still noted as the clear winner.

When are you presenting in St. John's?

David

From: Paul Wilson [mailto:plwilson@mhi.ca]
Sent: Tuesday, September 04, 2012 2:43 PM
To: Jacobson, David
Subject: RE: Draft Final report - MHI DG3 review

Thanks David, Nalcor is aware of our position which was made clear at the PUB meeting for DG2, and now re-iterated here. Manitoba Hydro used to build its 230 kV transmission lines to a 1:50 year standard, and now that is increasing for critical or single supply lines. BPIII is 1:150 years. Manitoba Hydro distribution system is 1:10 or 1:25. I don't except the argument that just because the entire Island is down, Nalcor shouldn't build the backbone to something better. We have not taken this position lightly, and the cost premium is about 400 million for the entire line. Even, still it may be too rich for NL.

Also, it would look unethical if we didn't stick to our previous position on this subject.

I will let you know how it goes in St. John's

Paul

From: Jacobson, David [mailto:dajacobson@hydro.mb.ca]
Sent: September-04-12 2:21 PM
To: Paul Wilson
Subject: RE: Draft Final report - MHI DG3 review

The tweaks you made to my section look good. No further changes from me.

You guys have made the strong comment about recommending Nalcor to design the line to a 1:150 return period. I'm assuming this was discussed at the face-face meeting after I left. When I discussed this with Nalcor in Newfoundland, they made the point that the entire Island is designed for 1:50 year or less. Spending the money to have a strong backbone to survive a 1:150 year storm is great but they wouldn't be able to serve load as the whole island would be down. On the one hand if you don't spend the money now you never will. There needs to be a clear roadmap to evolve to a 1:150 year design criteria over time. If there's no roadmap or criteria change, the backbone could be criticized as being gold plated. Not an easy issue to solve.

David

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From: Paul Wilson [<mailto:plwilson@mhi.ca>]
Sent: Tuesday, September 04, 2012 9:00 AM
To: Jacobson, David
Subject: Fw: Draft Final report - MHI DG3 review
For you review.
Paul

Regards,
Paul Wilson
Message sent by Blackberry

From: Paul Wilson
Sent: Monday, September 03, 2012 12:29 PM
To: Charles Bown (cbown@gov.nl.ca) <cbown@gov.nl.ca>
Subject: Draft Final report - MHI DG3 review

Hello Charles, please find enclosed the Final Draft of the DG3 review by MHI. There are a few items I plan to review with Nalcor this week to ensure that they are factual and the wording acceptable. This final draft contains the Executive Summary, material revised as a result of our meeting with Nalcor and yourself in Winnipeg, plus answers and documents provided subsequent to the last draft. Your input is welcome to ensure we have provided a document useable for your purposes. Please feel free to share this with Nalcor, if you so choose, in preparation of our visit this week.

My wind assessment technical team has been busy this weekend drafting the technical draft for our discussions this week with Nalcor and yourself. This document I wish to review tomorrow with them during the trip to St. Johns so I won't be able to get you and advance copy until later tomorrow night. I understand that you are available only this Wednesday, so we will have to review both of these documents at that time. I have an early morning Board meeting for which I will teleconference in from St. John's but the team will be available to meet after 11:00 am.

I hope your trip to Europe was fruitful and I look forward to delivering the final versions of these reports late next week.

My regards,

Paul Wilson, P. Eng.
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