

Date : 5/26/2011 2:12:33 PM

From : "Thompson, Robert"

To : "Maclean, Heather" , "Taylor, Brian W." , "Power, Glenda" , "Brown, Milly"

Cc : "Bown, Charles W." , "Williams, Tina" , "'DawnDalley@nalcenergy.com'" , "Howard, Jacquelyn"

Subject : RE: DRAFT PUB NR for comment

Only one comment: Don't think we need to include the following:

The review will not consider excess power which will be generated from Muskrat Falls and how it may be used to the benefit of the province, and will simply focus on the question if Muskrat Falls is the best option to deliver power to the Island.

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**From:** Maclean, Heather

**Sent:** Thursday, May 26, 2011 1:44 PM

**To:** Thompson, Robert; Taylor, Brian W.; Power, Glenda; Brown, Milly

**Cc:** Bown, Charles W.; Williams, Tina; 'DawnDalley@nalcenergy.com'; Howard, Jacquelyn

**Subject:** DRAFT PUB NR for comment

**Importance:** High

*Please find attached DRAFT PUB NR for your review and comment – will await direction on how/ when to proceed.*

*Heather*

Natural Resources

May 26, 2011

#### Public Utilities Board to Review Lower Churchill Project

The Provincial Government has referred a review of Muskrat Falls to the Board of Commissioners of Public Utilities (PUB), and requested that the PUB report to Government on whether Muskrat Falls represents the least-cost option for the supply of power to Island Interconnected Customers. The report is expected to be submitted by December 31, 2011, and will be made public.

"The Lower Churchill project is the most significant electrical generation and transmission project undertaken by this province in 50 years, and it is important to engage the PUB in a review of the fundamental question about developing the least-cost option to meet our energy needs," said the Honourable Shawn Skinner, Minister of Natural Resources. "The PUB will initiate a review on the development of the Muskrat Falls generation facility and the Labrador-Island Link transmission line as the least-cost option to supply power to the Island compared to the Isolated Island development option. The PUB will establish the process for this review including public engagement."

The PUB will consider and evaluate factors it considers relevant including Newfoundland and Labrador Hydro (NLH) and Nalcor Energy forecasts and assumptions for the Island load, system planning assumptions, and the processes for developing and comparing the estimated costs for the supply of power to the Island Interconnected System. The review will not consider excess power which will be generated from Muskrat Falls and how it may be used to the benefit of the province, and will simply focus on the question if Muskrat Falls is the best option to deliver power to the Island. The terms of reference are available xxxxxxxx .

Consumer advocate Tom Johnson has been appointed to represent consumer interests during the PUB review.

"The Consumer Advocate will play an invaluable role to support independent transparency in the review, and we look forward to Mr. Johnson's participation to act in the best interest of ratepayers," said Minister Skinner. "We have made a commitment to be open, transparent and accountable to the people of the province, and want to ensure they are engaged, informed and confident in the decision to develop the Lower Churchill."

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