

October 26, 2010

Hello Robert,

Attached is an information package as a follow up to the discussion we had last Wednesday regarding Island electricity supply. The attached is the presentation package we reviewed at that time plus a Follow Up section which includes additional review of:

- CPW Definition
- Economic Assumptions/Consideration
- Island Revenue Requirement (\$/MWh)
- Oil to Gas Fuel Switching
- Holyrood (LNG Fuel Option) *[Please note that we have attempted to identify issues and estimate fuel costs but this is difficult given the lack of information regarding future delivered LNG prices to NL and required investments for LNG storage/regasification and to switch Holyrood to natural gas.]*
- 2002 Pricing Terms Revisited

If you wish to discuss further please contact either myself, Wayne or Gerard. Thank you.

Paul
ext. 5728

- why tied to oil after 2021