

Date : 7/24/2012 2:46:38 PM

From : "Williams, Tina"

To : "Kennedy, Jerome" , "Dalton, Diana (Natural Resources)" , "Bown, Charles W." , "Scott, Paul G."

Cc : "Shute, Tracy"

Subject : Nalcor - Media Requests - MF Preliminary Work

Attachment : BNconstructionpowerJuly2012_final.docx;

As promised, here's the briefing note of work happening on the north side of the river for construction power for Muskrat. Gilbert will be on CBC HVGB tomorrow morning at 8:10 NT, and will appear in next week's Labradorian.

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From: Williams, Tina

Sent: Tuesday, July 24, 2012 12:37 PM

To: Kennedy, Jerome; Dalton, Diana (Natural Resources); Bown, Charles W.; Scott, Paul G.

Cc: Shute, Tracy

Subject: Nalcor - Media Requests - MF Preliminary Work

With regards to this, CBC Labrador tweets are asking hikers to make contact with CBC HVGB with thoughts on how Muskrat clear cutting is affecting the trail system.

Nalcor is prepping notes and I will forward as soon as I receive them.

Sent Via BlackBerry

From: Williams, Tina

To: Kennedy, Jerome; Dalton, Diana (Natural Resources); Bown, Charles W.; Scott, Paul G.

Cc: Shute, Tracy

Sent: Tue Jul 24 10:53:46 2012

Subject: Nalcor: Media Requests - MF Preliminary Work

FYI – Nalcor has received two media requests (next week's issue of the Labradorian and tomorrow morning on CBC HVGB) regarding work being done to clear trees and area for a construction powerline for Muskrat in an area with a popular hiking trail. Parts of the trail have been impacted by this clearing – essentially, the trail has become part of the transmission right of way. Nalcor's response will outline that this work is part of their preliminary work and is necessary to bring construction and accommodation power to the Muskrat site. Any issues, please advise.

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Briefing Note
Nalcor Energy – Lower Churchill Project
Construction Power Work at North Spur – Muskrat Falls

Issue

Questions from the media regarding the clearing of a path for the Right of Way (ROW) on the North Spur – Muskrat Falls and upcoming work for Muskrat Falls in HV-GB. Local media have travelled to Muskrat Falls and have posted pictures of the clearing work on social media which has prompted several media calls from Labrador inquiring on the work.

Background

On June 15, 2012, G.J. Cahill & Company was awarded a contract for Construction Power for the LCP. They have sub-contracted this package to Iskueteu (pronounced Ish-Ke-TOO), a Labrador Innu company.

A 2.6 km x 8 m wide ROW was cleared for a new 25 kilovolt distribution line to meet up with the current power line ROW that connects HV-GB to Churchill Falls and an area has been cleared for a small switch yard (73m x 78m) which is needed to tap into the transmission line from Churchill Falls. The ROW clearing work is being completed by Nukum (pronounced New-Come) Forestry (a Labrador Innu company) and is part of their contract that was awarded this spring with the announcement of the preliminary works for MF generation site.

This power line will run from Churchill Falls, across existing poles to TLH near Muskrat Falls, across new poles to the base of the north spur and then be transmitted over the falls on power lines like you would see currently in North West River/Sheshatshiu.

This work is required for construction and accommodation power for the MF generating site. This work also includes the installation of a new transformer and capacitor bank in Churchill Falls. These upgrades will not only provide power to the MF generation site for the duration of construction, it will also increase the capacity and available power to the Upper Lake Melville area primarily during the cold winter months.

The tree removal work has been completed and Nalcor is awaiting the contractor to remove the trees. Work on the building of the switch yard will commence by the end of July. It's anticipated that power to the construction site will be ready in November 2012.

Personnel on site at MF as of July 23, 2012:

Contractor	Number
Nukum	15 personnel (approx.)
Liannu	None
HSE Integrated	2 Emergency Medical Responders (EMRs)
Source Security	2 security guards
Stantec	None
NEPSL	4 surveyors
Total	31 personnel on site *

*In addition to Nalcor and SLI

Anticipated Questions

1. Was this work announced with the preliminary work contracts announced by Nalcor in the spring? If not, then why not?
2. Why are you completing this work and cutting down all those trees when the project is not even sanctioned?
3. Why is this work necessary and why does it have to be done before sanction?
4. What happens if the project is not sanctioned in the fall?
5. How much more work is Nalcor going to do in this area? Can we expect more tree cutting/clearing and destruction of our hiking trails and tourists areas?
6. How much is this contract worth?
7. Will this work block the public from hiking down to Muskrat Falls?
8. Will the already cut wood be available for the public to pick up and use?
9. How much more wood will be cut around the current hiking trail?
10. Did Nalcor consult with anyone before it began this work?

Key Messages/Responses

The preparation and building of the distribution line are preparatory activities and advance site preparation means project construction can begin as soon as final approval is received. This work is part of the preliminary work being completed at the Muskrat Falls generating site.

Commencing this work now enables us to take advantage of the 2012 summer work season in Labrador, and provides the ability to move ahead with construction activities in a timely and efficient manner in the event project sanction is achieved. This work must be completed by the fall as now is the time where crews are able to tap into existing lines. It will not be possible later in the fall as the lines will be at capacity due to increased demands for electricity with the colder months approaching in HV-GB.

This expenditure is prudent when we considered the financial savings to be gained by preventing the delay when a sanction decision occurs. For example, if the construction power is not completed before the fall and a sanction decision to proceed occurs, we will have to run large diesel burning generators to meet our construction power demand which will add further costs to the project.

This distribution line will benefit the Muskrat Falls development whether developed now or in the future, and is a good investment no matter when a project sanction decision is made. It will also increase the capacity and available power to the Upper Lake Melville area primarily during the cold winter months.

If a sanction decision is not made in the fall then the work is already completed and this work will be useful when a sanction decision is made. Nalcor has completed other similar work in the area over the last few years through line surveying and in all cases you can see the brush has completely grown back.

The ROW cleared will have your standard telephone wooden poles that you currently see around town (like the line to North West River) and will carry both the construction power and fiber optic line to the south side construction site. The work associated with this contract also involves system upgrades in

Churchill Falls these upgrades will increase capacity in HV-GB. This increased capacity provides more power to the community to meet peak electricity demand.

Nalcor understands the benefit and use of the hiking trail in this area and we are completing our work to ensure the safety of the public and the protection of the environment. This work will not close off the hiking trail to the public; however we will have safety precautions put in place to ensure safety of the public and our employees. In the context of the protection of the environment, Nalcor has an Environmental Protection Plan to ensure all activities are completed to protect and preserve the biology of the area.

The preparation work for construction power on the North Spur is completed and no additional clearing work will be done before project sanction. Work will continue on the switch yard in this area. Other than the preliminary work being completed on the south side, Nalcor will not commence any additional construction work in the area before a project sanction decision is made.

Wood will be available for the public to pick up. This will first need to be processed and safety protocols will be put in place and shared with the public.

We do not intend to release exact contract amounts publicly as we need to ensure that our contracts remain competitive. Competitive bidding ensures that we receive value for our money.

Prepared by: Matthew Pike, Community Relations Advisor, LCP; Karen O'Neill, Senior Communications Advisor, LCP

Approved by: Gilbert Bennett, VP LCP

Date: July 24, 2012