

June 10, 2014

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL
A1A 5B2

ATTENTION: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Application pursuant to section 41(3) of the Public Utilities Act for the Approval of a Capital Project to Supply and Install 100 MW (Nominal) of Combustion Turbine Generation

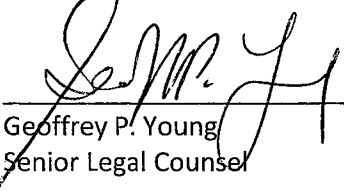
In response to the Board's request dated June 4, 2014 with regard to the above noted project, the following is a concise high level update:

- i. Status of Tender Award – The successful bidder was ProEnergy Services of Sedalia, Missouri. They have extensive experience in the delivery of New Gas Turbine plants. The contract was dated and signed Friday, May 16, 2014.
- ii. Project Description – This is a Turnkey EPC Contract for the supply, install and commissioning of a 100 MW (nominal) Combustion Turbine plant to be sited within our existing Holyrood plant site.
- iii. Project Execution Team – The project execution team is an integrated team approach with essentially two key sub-sections: owner's team (Hydro Engineering); and contracted EPC team from ProEnergy. The organizational diagram is attached as Schedule A.
- iv. Forecast Project Cost – Hydro is tracking with compliance to cost as submitted at \$119 million.
- v. Project Schedule – Please see Schedule B attached for the high level milestone planning that supports the forecast in-service of the first week of December 2014.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



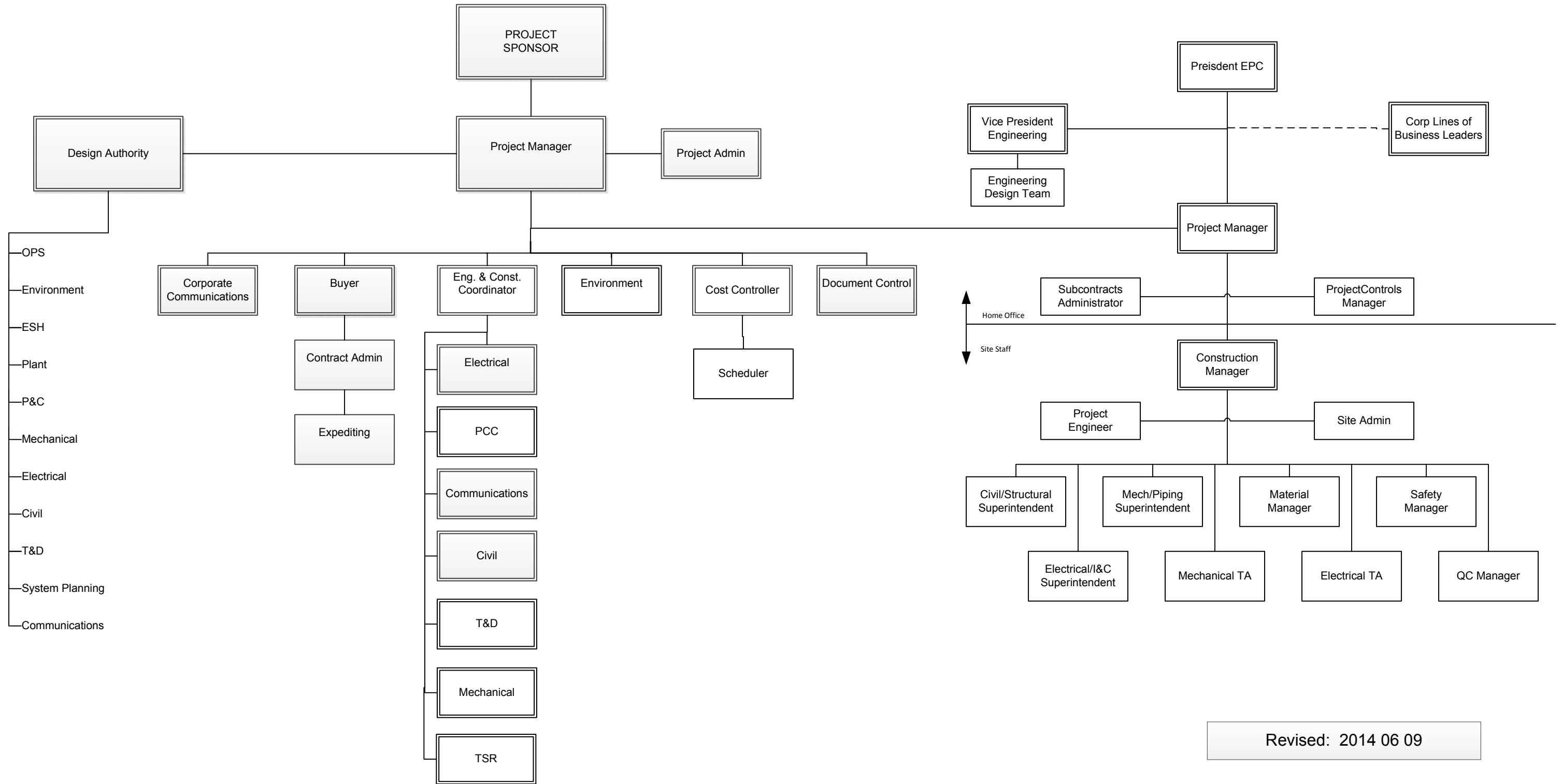
Geoffrey P. Young
Senior Legal Counsel

GPY/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Danny Dumaresque

Thomas Johnson – Consumer Advocate
Thomas J. O’Reilly, Q.C. – Cox & Palmer
Fred Winsor – Sierra Club of Canada

100 MW COMBUSTION TURBINE Organization Chart



Revised: 2014 06 09

#	Activity Name	Remaining Duration	Start	Finish	Comments-1	2014												2015	
						Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		
1	100 MW Combustion Turbine	112d	03-Mar-14 A	22-Dec-14		100 MW Combustion T													
2	Milestones - Key Dates	133d	17-Mar-14 A	22-Dec-14		Milestones - Key Dates													
3	Project Start	0d	17-Mar-14 A			Project Start													
4	BOD Approval Received	0d		03-Apr-14 A		◆ BOD Approval Received													
5	Documents submitted to PUB	0d		10-Apr-14 A		◆ Documents submitted to PUB													
6	Geo-Tech Survey Complete	0d		23-Apr-14 A		◆ Geo-Tech Survey Complete													
7	EA Registration Submitted to NL Gov't	0d		25-Apr-14 A		◆ EA Registration Submitted to NL Gov't													
8	Start of NLH design	0d	05-May-14 A			◆ Start of NLH design													
9	PUB Approval Received	0d		07-May-14 A		◆ PUB Approval Received													
10	NLH Mobilization to site	0d	20-May-14 A			◆ NLH Mobilization to site													
11	Release From Further Environmental Assessment	0d		11-Jun-14*		◆ Release From Further Environmental Assessment													
12	Project Set-up Complete (Admin, Costs, Doc control, t	0d		30-Jun-14		◆ Project Set-up Complete (Admin, Costs, Doc control, team)													
13	In Service Date/Commercial Operation Date (COD)	0d		07-Dec-14*		◆ In Service Date/Commercial O													
14	Project Closeout	0d		22-Dec-14		◆ Project Closeout													
15	EPC Contract	0d	07-Apr-14 A	09-Jun-14 A		EPC Contract													
16	EPC Tender Issued	0d		07-Apr-14 A		◆ EPC Tender Issued													
17	EPC Tender Closed	0d		21-Apr-14 A		◆ EPC Tender Closed													
18	Start of EPC design	0d	24-Apr-14 A			◆ Start of EPC design													
19	Release of Limited Notice to Proceed (EPC contract)	0d	24-Apr-14 A			◆ Release of Limited Notice to Proceed (EPC contract)													
20	EPC Contract Fully Awarded	0d		16-May-14 A		◆ EPC Contract Fully Awarded													
21	EPC Mobilization to site	0d	09-Jun-14 A			◆ EPC Mobilization to site													
22	Procurement Milestones	45d	06-Aug-14	15-Sep-14		Procurement Milestones													
23	230 kV Disconnect Switch - on site	0d		06-Aug-14		◆ 230 kV Disconnect Switch - on site													
24	230 kV Breaker on site	0d		15-Sep-14*		◆ 230 kV Breaker on site													
25	PM & Support Services	135d	17-Mar-14 A	22-Dec-14		PM & Support Services													
26	Enabling Works	57d	03-Mar-14 A	29-Aug-14		Enabling Works													
27	Terminal Station	77d	11-Apr-14 A	21-Oct-14		Terminal Station													
28	Trans. & Distribution	61d	05-May-14 A	05-Sep-14		Trans. & Distribution													
29	Water Supply/Effluent	84d	02-Jun-14 A	08-Oct-14		Water Supply/Effluent													
30	Communications	127d	09-Jun-14	10-Dec-14		Communications													
31	Building	20d	24-Jun-14	22-Jul-14		Building													
32	EPC Contract Preparation	5d	31-Mar-14 A	13-Jun-14		EPC Contract Preparation													

◆ Milestone
 ▼ Summary