



Further Site Preparation Work Starting at Muskrat Falls

November 1, 2012, St. John's, NL – Nalcor Energy is progressing with further site preparation work at Muskrat Falls in the coming weeks. Initial work was announced in April 2012 which included road construction and site access. This work has progressed over the summer and fall and is still underway. This further work will take work through November and December at which time Nalcor will re-visit the next steps in the context of the timing of a sanction decision.

Nalcor has continued to evaluate opportunities to mitigate risks to project cost and schedule through pre-sanction work. Mobilizing the contractor and beginning site excavation before the end of 2012 and acquiring a temporary construction camp were identified as additional opportunities to advance the project and maintain the project schedule.

“The decision to undertake these activities was based on an evaluation of the costs, the potential risks to the project schedule, and the long-term value of the work,” said Ed Martin, president and CEO of Nalcor Energy. “A delay in the start of site excavation until spring 2013 would ultimately impact the overall project schedule and first power from Muskrat Falls could be over six months. This would result in additional carrying costs, including an estimated \$200 million in additional costs for continued operation of the Holyrood plant – a cost that would ultimately be passed on to island consumers in increased electricity rates.”

Work will include mobilizing the site excavation contractor to the work site, carrying out preliminary excavation and installing temporary accommodations for approximately 250 workers at Muskrat Falls. While a larger, permanent camp is planned for the Muskrat Falls site following a sanction decision, temporary accommodations will be installed in the coming weeks, allowing Nalcor to meet current housing demands of the workforce without placing unnecessary pressure on existing accommodations in the Upper Lake Melville area. The temporary camp will also be reused during construction of transmission infrastructure from Muskrat Falls, as well as other projects undertaken around the province.

“With the extensive analysis and engineering progress we’ve completed to date for Muskrat Falls, we remain confident that Muskrat Falls is the lowest-cost option for meeting electricity demands in Newfoundland and Labrador. This has been validated by the Decision Gate 3 analysis released this week and the release of Manitoba Hydro International’s project analysis,” said Martin. “Our objective is to deliver this project on time, on budget and in the best interest of electricity consumers. Investing in this preliminary work today will bring significant long-term value when a project sanction decision is made.”

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