



November 29, 2010

Point Lepreau Generating Station Refurbishment Project Update

Fredericton, N.B. - Work on the Point Lepreau Generating Station's Refurbishment Project continues. On October 15, 2010, Atomic Energy of Canada Limited (AECL) announced their recommendation to proceed with removal and replacement of the 380 calandria tubes and revised its project schedule with a planned completion date of May 2012 for Phase 2 of the overall Point Lepreau Generating Station Refurbishment Project.

As part of the project management process and its own due diligence, NB Power reviewed the schedule to better understand the impact of the AECL revised schedule completion date on the overall project activities and is satisfied with the timeline that AECL provided. NB Power has now completed this review and believes that barring unforeseen circumstances, this new schedule is achievable. Once retube activities are completed, NB Power will proceed with the commissioning activities which will take approximately four months in order to safely return the reactor to service in the fall of 2012, ready for the heating season.

Although the calandria tube installation work sequence will take longer to complete than previously planned, it is essential that these activities achieve the required quality standards in order to provide safe and reliable operation for the next 25 to 30 years. Replacement of the calandria tubes involves removing 760 calandria tube inserts that hold the calandria tubes in place; removing 380 calandria tubes; polishing and cleaning the tube sheet bores; and then inserting new calandria tubes. A detailed readiness review of the tube sheet bore cleaning and polishing procedures and tools has been completed. The assessment was verified in the field in August 2010 by removing eight calandria tubes, polishing their bores, re-installing and rolling the calandria tubes and successfully leak testing the rolled joints.

AECL project management decided to continue with the installation on the basis that their engineering group would find an acceptable solution to overcome the seal tightness issue on the ones that did not meet the specified criterion. In spite of the fact that this issue was not considered a safety issue, NB Power insisted on a 30 year life assessment to ensure future reliable operation. During the last phase of the installation process, AECL performed the life assessment which took a few months to complete. The results of the assessment indicated that AECL could not guarantee an additional 25-30 year of reliable operation. NB Power agreed with the AECL decision to proceed with a complete reinstallation of all calandria tubes as there could be future outage risks as a result of premature calandria tube replacement.

Training on the procedures and tooling is on-going at the AECL mock-up training facility in Saint John. Crews are now preparing to install the polishing tools at the Point Lepreau Generating Station as a prerequisite to installing the remaining 372 calandria tubes.

Project Activities

AECL's Retube teams successfully completed removal of the calandria tube inserts. Work platforms with the calandria tube removal tools were installed on both ends of the reactor and AECL began removing the calandria tubes. This sequence is progressing well with approximately 90% of the calandria tubes removed.



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Safety

The top priority at NB Power is the safety of the employees and the public. The employees are diligent in ensuring a job is done safely and with quality and have shared this quality with all contractors working on site; to ensure their safety as well as, creating a stronger and safer workforce.

With a project of this magnitude, it is important that any incidents that occur are reported and shared within the workforce and industry to help prevent a similar event. To date, we have worked over 2.8 million person- hours without a lost-time accident. While we are very proud of this record, this does not mean that we do not need to continue to focus safety efforts to ensure that we continue with our practice of reporting any incident, regardless of how minor it may appear. We believe that it is critical to report all incidents. The nuclear industry has a strong reporting culture to ensure that we continue to meet and exceed safety standards. For each incident, lessons learned and operating experience gained are shared within the industry.

Regulatory

As our project progresses, we are maintaining our focus on meeting our regulatory commitments. On January 19, 2011, we will be presenting a refurbishment update to the Canadian Nuclear Safety Commission (CNSC) at a public hearing in Ottawa.

Workforce

The Point Lepreau Generating Station employees represents a group of over 700 highly trained and qualified, dedicated employees including specialists in areas of: Health Physics, Radiation and Conventional Safety, Engineering, Security, Project, Business, Operations, Maintenance, Quality Control, Procurement and Supplies, etc., work hard around the clock every day to serve the people of New Brunswick.

While the Refurbishment Project progresses, Point Lepreau Generating Station employees are involved in operating and maintaining the Station's many systems such as electrical, safety and cooling systems. Greater than 60% of systems are still in service including electrical, water, ventilation and heating, cooling of the nuclear fuel and to provide essentials services to contractors and staff. The balance of the laid up systems continue to receive routine preventative maintenance to ensure preservation and reliable operation on restart. In addition, the employees are working on station upgrades and many are seconded to AECL to work as dedicated radiation protection personnel.

Both NB Power and AECL continue to work diligently to safely complete the project activities in as short a time as possible while remaining fully committed to the values of operating a safe work site and delivering a quality end result - a reactor that will deliver safe and reliable power to New Brunswick for the next 25 to 30 years.

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