

MVLWB grants emergency exemption for Bluefish Dam replacement

October 13/09 – The Mackenzie Valley Land and Water Board (the Board) has granted NTPC an emergency exemption from preliminary screening for Land and Water Use Permits on the corporation's application to replace Bluefish Dam.

NTPC met with Board staff on Wednesday, October 07 to present the latest available information on the accelerated deterioration of the dam over the last year. The new information, provided by NTPC and EBA Engineering Consultants Ltd., indicates that the dam is in a critical situation

In its decision the Board stated: *"After reviewing all the information on the record and in particular the new evidence, the Board was persuaded that there are limited options available to NTPC to respond to the unexpected and accelerated deterioration of the dam over the last year."*

The decision doesn't exempt NTPC from complying with the environmental oversight or directives issued by the Board. The Board will proceed with its regulatory responsibilities and will continue processing NTPC applications as set out in the project work plan.

The emergency exemption assures the corporation that it can move equipment and materials to site over the ice road and begin construction in the spring. NTPC plans to commission the dam in 2011.

"We've been cooperating with the regulatory process and will continue to do so. But we needed assurance that construction could begin in the spring or we would lose another year," says Judith Goucher, NTPC's Chief Financial Officer. "We appreciate the Board's acknowledgement of the situation."

NTPC purchased the Bluefish power plant and dam from Miramar Con Mine for \$11.86 million in 2002. The need to replace the dam was fully disclosed in regulatory filings at the time of purchase and very little value was assigned to it at the time of purchase. This accounting treatment was reviewed and approved by the Public Utilities Board.

The corporation and its customers have received many times the value of the acquisition cost in avoided diesel fuel and capital costs.

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As importantly, a second turbine was installed by the previous owner in 1995 at an estimated cost of \$17.5 million. The unamortized value of that plant exceeds the purchase price of the entire facility.

A condition assessment conducted by AMEC in 2001 and filed with the Public Utilities Board noted that Bluefish Dam had exceeded the normal service life of most timber crib dams and would need to be replaced in 10-20 years.

“The dam’s deterioration has accelerated at a rate that couldn’t be predicted in 2001 or even last year, for that matter. Simply stated, there is no form of repair that can stop it from breaching. The only remaining option is to replace it,” says Goucher.

The replacement dam will be located 427 metres downstream of the existing dam. At this location, a natural bedrock ridge crosses the Yellowknife River. A dam in this location would increase the size of the impoundment area (Bluefish Lake) by 8.07 hectares.

Several configurations were examined for the replacement dam’s impermeable rock fill core. The flow control spillway will be located on the west side of the dam and will be designed to accommodate the Probable Maximum Flood conditions.

The schedule calls for dam completion in the spring of 2011. This represents the shortest practical timeline possible given the remote nature of the site. The compromised state of the existing structure requires this aggressive timeline.

NTPC has established minimal impact on the environment as one of its major goals with respect to ongoing operations and new projects. This commitment will guide development of Bluefish Dam.

The corporation has applied to the Public Utilities Board for a major project permit and approval to borrow up to \$18.5 million for the project.

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