

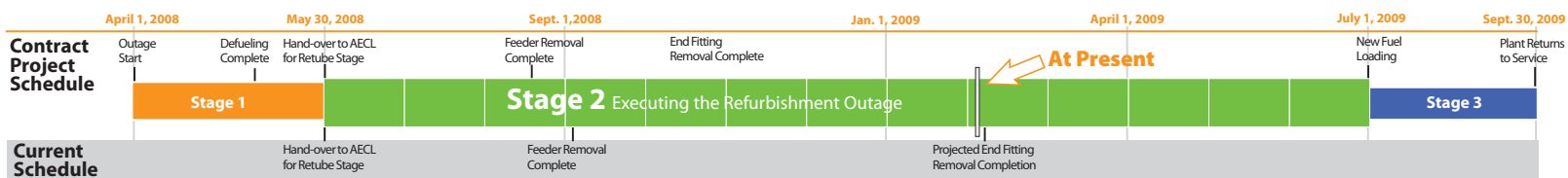


Refurb Report



February 9, 2009

Integrating the NB Power and AECL teams to streamline our work has proven to be helpful in addressing some of our schedule challenges. A focused Improvement Team was created to collect input from various project workgroups. These inputs will continue to help us recover valuable time on the schedule.



Retube Update

Over the last few weeks, workers have been successful in optimizing the effectiveness of the tools used to remove the end fittings from the reactor. Using their talents and experience along with continued dedication, they have implemented innovative solutions to overcome challenges with the work sequences and the tools used for this task. As a result, the removal of the 760 end fittings is scheduled to be completed by the end of the week.

Preparation is underway for our next major milestone - removal of the 380 pressure tubes. The pressure tubes are the components that hold the fuel bundles inside the reactor. One of the unique challenges for this work will be to remove the tooling used for the end fittings while at the same time moving the pressure tube tooling into the reactor building. The size of pressure tube tool is larger than a full-size car and weighs approximately 20 tons. Specialized teams have been training to commission and operate this tool. Workers have been actively involved in identifying means to optimize the efficiency of the tool. Lessons learned from the industry and from previous retube work are also being considered for the preparation and the execution of the pressure tube removal process.

Turbine Update

A decision has been made to proceed with the installation of the recovered low pressure turbine rotors (see picture). In January 2009, representatives from NB Power met with Siemens, the original equipment manufacturer, to assess the status of the two recovered low pressure turbine rotors. These rotors were shipped to the Siemens factory in the United Kingdom in December 2008 for evaluation. Based on this evaluation, Siemens has performed a comprehensive engineering assessment which confirms that the low pressure turbine rotors are suitable for safe and reliable operation.



These evaluations were reviewed and accepted by NB Power and our independent consultant. From the outset of this incident, NB Power has worked very closely to monitor progress and is very pleased with the work that Siemens has completed. Siemens has shown great commitment to our project during the recovery and evaluation process of these low pressure turbine rotors. There has been no adverse impact to our overall project schedule due to these activities. The low pressure turbine rotors are expected to be returned to the station in June 2009.

A complex nuclear refurbishment project requires a high level of precision in work sequencing and execution. From day one of the project, workers have been constantly focused on safety and quality. Safety is our top priority because our people are our greatest asset on this project. It is with their knowledge, experience and talent that we will safely complete this project for the people of New Brunswick.

For further information or updates, please visit the Powering the Future website at <http://poweringthefuture.nbpower.com/en/default.aspx> or contact NB Power at 1-866-754-7727.