April 6, 2017

Dear [Name] - s.40(1)

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, 2015 [Our File #: PRE/15/2017]

On March 9, 2017, the Premier’s Office received your request for access to the following records/information:

"Please provide any communications (emails, letters, bbms, text messages, etc) sent or received by the Premier or any members of the Office regarding the investments or ownership in the Labrador Island Link between Feb 1, 2017 and March 8, 2017 (inclusive)."

I am pleased to inform you that a decision has been made by the Chief of Staff of the Premier’s Office to provide access to the requested information with the exception of personal information, which has been removed in accordance with subsection 40(1) of the Access to Information and Protection of Privacy Act (the Act), which states:

40.(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

You may appeal this decision by asking the Information and Privacy Commissioner to review the provision of partial access to the requested information. The complete process is set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.
The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Responsive records will be published following a 72 hour period after the response is sent electronically to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. If you have any further questions, please feel free to contact me by telephone at (709) 729-3570 or by e-mail at joybuckle@gov.nl.ca.

Sincerely,

Joy Buckle
ATIPP Coordinator

Enclosure
Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner’s refusal under subsection 45(2).
Uncle Gnarley posted a blog today: EMERA - SILENTLY BUILDING THEIR OWN NL ENERGY WAREHOUSE (http://unclegnarley.blogspot.ca/2017/03/emera-silently-building-their-own-nl.html#more)

In the blog it states: “Following last week’s post, a colleague of mine directed me to the most recent investor relations presentation from Emera. It contained an infographic on the Muskrat Falls project together with the quote – “Emera to invest 600 Million, for a 59% partnership capital in the Labrador Island Link”. Although I have determinedly followed the machinations of the Muskrat Falls project since 2011, I have never heard of or seen reference to 59% of the Partnership Capital. It having been brought to my attention, I could only wonder what it meant.”

Mike Connors has followed up with Nalcor and asked: Is it true that Emera has increased its ownership stake in the Labrador-Island Link to 59%. When and why did this happen?

Here is the draft response Nalcor will be sending Mike:

- Nalcor Energy, through its wholly owned subsidiary, has ownership and control of the Labrador-Island Link (LIL) and will also own 100% of the transmission rights of that link. Emera Inc. is an investor in this transmission asset providing equity funding.

- Under the LIL arrangements with Emera, as outlined in the Newfoundland and Labrador Development Agreement and LIL Limited Partnership Agreement (both of which are available on the Muskrat Falls website), Nalcor and Emera are each entitled to contribute a portion of the equity capital required to fund LIL construction expenditures along with the debt guaranteed by the Government of Canada.

- As outlined in the provisions of these Nalcor/Emera agreements, the percentage of equity funding that Emera is permitted to contribute will vary over the period of LIL construction from sanction in December 2012, following Financial Close in December 2013, and through to final completion and in service of the LIL project.

- Currently, Emera’s equity contributions in LIL is 62.7% of the LIL Limited Partnership capital account.

- (If asked about Emera’s return on its investment: The Public Utilities Board approves the regulated return that companies are permitted to earn on their investments in Newfoundland and Labrador’s electricity infrastructure.)

Diana Quinton
Director of Communications
Natural Resources
Government of Newfoundland and Labrador
709-729-5282
We are seeking more info on this issue. Here is a holding statement in case it comes up today. Marc, please pass on to Minister Trimper. Thanks, Diana

**Natural Resources**

**Emera’s Ownership of Labrador Island Transmission**

*March 8, 2017*

**Summary:**
Uncle Gnarley posted a blog on Monday, March 6: EMERA - SILENTLY BUILDING THEIR OWN NL ENERGY WAREHOUSE. In the blog it states: "... a colleague of mine directed me to the most recent investor relations presentation from Emera. It contained an infographic on the Muskrat Falls project together with the quote – “Emera to invest 600 Million, for a 59% partnership capital in the Labrador Island Link”. Although I have determinedly followed the Muskrat Falls project since 2011, I have never heard of or seen reference to 59% of the Partnership Capital. It having been brought to my attention, I could only wonder what it meant."

Mike Connors has followed up with Nalcor and asked: Is it true that Emera has increased its ownership stake in the Labrador-Island Link to 59%. When and why did this happen?

**Key messages:**
- The deal with Emera was signed under the former government.
- Increased costs of the transmission projects have led to increased Emera participation in the Labrador Island Link.
- Nalcor maintains 100 percent control of the Labrador Island Link and all of the transmission rights.
Natural Resources
Emera’s Ownership of Labrador Island Transmission
March 8, 2017

Summary:
Uncle Gnarley posted a blog on Monday, March 6: EMERA - SILENTLY BUILDING THEIR OWN NL ENERGY WAREHOUSE. In the blog it states: "... a colleague of mine directed me to the most recent investor relations presentation from Emera. It contained an infographic on the Muskrat Falls project together with the quote – “Emera to invest 600 Million, for a 59% partnership capital in the Labrador Island Link”. Although I have determinedly followed the Muskrat Falls project since 2011, I have never heard of or seen reference to 59% of the Partnership Capital. It having been brought to my attention, I could only wonder what it meant.”

Mike Connors has followed up with Nalcor and asked: Is it true that Emera has increased its ownership stake in the Labrador-Island Link to 59%. When and why did this happen?

Key messages:
• The deal with Emera was signed under the former government.

• Increased costs of the transmission projects have led to increased Emera participation in the Labrador Island Link.

• Nalcor maintains 100 percent control of the Labrador Island Link and all of the transmission rights.
From: Buckle, Joy
Sent: Tuesday, March 7, 2017 3:13 PM
To: ‘Cannizzaro, Michelle’
Subject: FW: Gov’ts KMs

FYI

From: Quinton, Diana
Sent: Tuesday, March 7, 2017 2:35 PM
To: Miles, Peter <PeterMiles@gov.nl.ca>
Subject: Fw: Gov’ts KMs

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Tuesday, March 7, 2017 2:28 PM
To: Bown, Charles; Parsons, Walter; McIntosh, Gordon
Subject: Re: Gov’ts KMs

These are getting complicated again. Need to simplify to explain to the people of the province.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Bown, Charles
Sent: Tuesday, March 7, 2017 2:24 PM
To: Parsons, Walter; McIntosh, Gordon; Quinton, Diana
Subject: FW: Gov’ts KMs

From: JamesMeaney@lowerchurchillproject.ca [mailto:JamesMeaney@lowerchurchillproject.ca]
Sent: Tuesday, March 7, 2017 2:21 PM
To: Bown, Charles <CBown@gov.nl.ca>; Stanley, Todd <toddstanley@gov.nl.ca>
Subject: Fwd: Gov’ts KMs

FYI

Sent from my iPhone

Begin forwarded message:

From: "James Meaney" <JamesMeaney@lowerchurchillproject.ca>
Date: March 7, 2017 at 10:36:18 AM MST
To: "Karen O’Neill" <karenoneill@nalcorenergy.com>
Cc: "Deanne Fisher" <DeanneFisher@nalcorenergy.com>, "Derrick Sturge" <DSturge@nalcorenergy.com>, "Dave Jones" <DaveJones@nalcorenergy.com>, "Auburn
Warren" <AuburnW@nalcorenergy.com>
Subject: Re: Gov'ts KMs

Revised

- The Nalcor/Emera agreements were signed in July 2012. Emera's participation in the LIL is defined under the NL Development Agreement (NLDA) and the LIL Limited Partnership (LIL LP) Agreement, both which are available on the MF website.
- As part of these arrangements, Nalcor maintains 100 percent control of the LIL and all of the transmission rights.
- At LIL Sanction it was estimated that Emera was permitted to make equity contributions to the LIL LP partnership capital account of $409M. This was based on the cost estimates of LIL, LTA and ML at that time, a calculation under the NLDA whereby Nalcor's portion of these transmission assets was 51% and Emera's 49%, and that for Emera's LIL investment they would fund 45% of it based on equity per their target Debt-to-Equity Ratio (DER) of 55:45.
- In accordance with the NLDA, the calculation noted above is done again following full commissioning of the entire project based on final costs of the LIL, LTA and ML. In the event Emera's % of the transmission asset costs (based on the ML and their LIL additional investment) is less than 49%, they would have to pay a cash "true up" to Nalcor in return for more LIL LP partnership capital account units to address this. Based on current cost estimates for these transmission assets, this amount is expected to be approximately $190M.
- As a result of the cost increases announced in June 2016, and the decision to seek the additional FLG of up to $2.9B to alleviate the amount of LIL equity that Nalcor/NL will need to fund (to the benefit of both NL ratepayers and taxpayers), Emera will get a greater percentage of the LIL partnership distributions during the operating period because they will have contributed more of the required equity to the LIL LP partnership capital account than Nalcor during the development period.
- Based on current cost estimates and the provisions of the NLDA, including the true-up noted above, Emera total equity contributions to the LIL will total around $600M, which would represent approximately 59% of the LIL LP partnership capital account.

Dave/Auburn feel free to chime in with anything else......

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860 c. 709 727-5283 f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Karen O'Neill—03/07/2017 12:09:21 PM—Jim/Derrick, DNR has drafted the following KMs in relation to the Emera LIL equity question. Derrick

From: Karen O'Neill/NL.Hydro
To: James Meaney/NL.Hydro@NLHYDRO, Derrick Sturge/NL.Hydro
Cc: Deanne Fisher/NL.Hydro@NLHYDRO
Date: 03/07/2017 12:09 PM
Subject: Gov'ts KMs
Jim/Derrick, DNR has drafted the following KMs in relation to the Emera LIL equity question.

Derrick are you able to review and correct any misinformation?

I've already added a few points in red below.

Thanks
Karen

Karen O'Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427 c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

-----Forwarded by Karen O'Neill/NLHydro on 03/07/2017 12:06 PM-----

From: "Quinton, Diana" <DianaQuinton@gov.nl.ca>
To: "karenoneill@nalcorenergy.com" <karenoneill@nalcorenergy.com>
Date: 03/07/2017 12:04 PM
Subject: RE: Test

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Natural Resources
Emera's Ownership of Labrador Island Transmission
March 8, 2017

Summary:
Uncle Gnarley posted a blog on Monday, March 6: EMERA - SILENTLY BUILDING THEIR OWN NL ENERGY WAREHOUSE. In the blog it states: "... a colleague of mine directed me to the most recent investor relations presentation from Emera. It contained an infographic on the Muskrat Falls project together with the quote – "Emera to invest 600 Million, for a 59% partnership capital in the Labrador Island Link". Although I have determinedly followed the Muskrat Falls project since 2011, I have never heard of or seen reference to 59% of the Partnership Capital. It having been brought to my attention, I could only wonder what it meant."

Mike Connors has followed up with Nalcor and asked: Is it true that Emera has increased its ownership stake in the Labrador-Island Link to 59%. When and why did this happen?

Key messages:

- The deal with Emera was signed at project Sanction in 2012, under the former government.

- Nalcor maintains 100 percent control of the Labrador Island Link and all of the transmission rights.

- However, Emera will get a greater percentage of the partnership distributions during the operating period because they will have contributed more of the required equity capital than Nalcor on the Labrador Island Link.
• To put this into context, Nalcor has a 51 per cent share of all transmission assets including the Labrador Island Link, Labrador Transmission Assets and Maritime Link. Emera has a 49 per cent share.
• When the Labrador Island Link (LIL) was sanctioned in 2012, the equity that Emera was permitted to contribute to the LIL capital account was $409 million which is the equity share of Emera’s total investment of $910 million. (The $910 million on the LIL comes from Emera contributing 49 per cent share of all assets).
• It is estimated that Emera’s total equity investment in Labrador Island Link will be around $600 million, or around 59% of the capital account. This is the amount noted in their investor presentation.

From: karenoneill@nalcorenergy.com [mailto:karenoneill@nalcorenergy.com]
Sent: Tuesday, March 07, 2017 12:04 PM
To: Quinton, Diana
Subject: Test

Karen O’Neill
Communications Manager
Lower Churchill Management Corporation
Nalcor Energy - Lower Churchill Project
t. 709.737.1427 c. 709.690.2012
e. koneill@nalcorenergy.com
1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”
Key Points:

- The Nalcor/Emera agreements were signed in July 2012.
- Emera's participation in the Labrador Island Link is defined under specific agreements which are publicly available on the Muskrat Falls website.
- As part of these arrangements, Nalcor maintains 100% control and operation of the LIL and all of the transmission rights on the link.
- Based on current cost estimates and the provisions of the existing agreements, including a true-up, Emera's total equity contributions to the LIL will total around $600M, which would represent approximately 59% of the LIL LP partnership capital account.

Additional points:

- At LIL sanction it was estimated that Emera was permitted to make equity contributions to the LIL LP partnership capital account of $409M. This was based on the cost estimates of LIL, LTA and ML at that time, a calculation under the NLDA whereby Nalcor's portion of these transmission assets was 51% and Emera's 49%, and that for Emera's LIL investment they would fund 45% of it based on equity per their target Debt-to-Equity Ratio (DER) of 55:45.
- In accordance with the NLDA, the calculation noted above is done again following full commissioning of the entire project based on final costs of the LIL, LTA and ML. In the event Emera's % of the transmission asset costs (based on the ML and their LIL additional investment) is less than 49%, they would have to pay a cash "true up" to Nalcor in return for more LIL LP partnership capital account units to address this. Based on current cost estimates for these transmission assets, this amount is expected to be approximately $190M.
As a result of the cost increases announced in June 2016, and the decision to seek the additional FLG of up to $2.9B to alleviate the amount of LIL equity that Nalcor/NL will need to fund (to the benefit of both NL ratepayers and taxpayers), Emera will get a greater percentage of the LIL partnership distributions during the operating period because they will have contributed more of the required equity to the LIL LP partnership capital account than Nalcor during the development period.
Buckle, Joy

From: Miles, Peter
Sent: Tuesday, March 7, 2017 4:08 PM
To: Cannizzaro, Michelle
Subject: Fw: Rate of Return on LIL

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Parsons, Walter <WalterParsons@gov.nl.ca>
Sent: Tuesday, March 7, 2017 3:47 PM
To: Miles, Peter
Cc: Quinton, Diana; McIntosh, Gordon
Subject: Rate of Return on LIL

Nalcor just advised that the rate of return on Muskrat Falls is 8.4% but it is 8.8% on the Labrador-Island Link. Sorry I wasn’t aware of that distinction when we spoke earlier.
Hey — just wanted to send this along as an FYI, we may have referenced 8.4%:

_Nalcor just advised that the rate of return on Muskrat Falls is 8.4% but it is 8.8% on the Labrador-Island Link._
Thanks Walter

Sent from my BlackBerry 10 smartphone on the Bell network.

Nalcor just advised that the rate of return on Muskrat Falls is 8.4% but it is 8.8% on the Labrador-Island Link. Sorry I wasn’t aware of that distinction when we spoke earlier.
Please note: The rate of return NFP currently earns as set by the PUB is 8.5 per cent.

(Included here in QAs)

Minister has asked me to add the following KM. Included in attached.

We are going to consider all options going forward. Key is to mitigate rates and lower costs. I remind everyone we are not responsible for this mess but we are focused on fixing it.

This includes KMs, QAs, background info, media clippings, etc.

Let me know if you need anything else on this.

Diana Quinton
Director of Communications
Natural Resources
Government of Newfoundland and Labrador
709-729-5282
Natural Resources
Emera’s Ownership of Labrador Island Transmission
March 8, 2017

Summary:
Uncle Gnarley posted a blog on Monday, March 6: EMERA - SILENTLY BUILDING THEIR OWN NL ENERGY WAREHOUSE. In the blog it states: “... a colleague of mine directed me to the most recent investor relations presentation from Emera. It contained an infographic on the Muskrat Falls project together with the quote – “Emera to invest 600 Million, for a 59% partnership capital in the Labrador Island Link”. Although I have determinedly followed the Muskrat Falls project since 2011, I have never heard of or seen reference to 59% of the Partnership Capital. It having been brought to my attention, I could only wonder what it meant.” This issue was raised in the House of Assembly on March 8; the Premier was then interviewed by media.

Key messages:
• The deal with Emera was signed under the former government in 2012.

• As a result of the agreements, Nalcor’s portion of transmission assets is 51 per cent. That includes the Labrador Island Link, Labrador Transmission Assets and Maritime Link. Emera’s portion is 49 per cent.

• Nalcor owns 100 per cent of the Labrador Transmission Asset. Emera owns 100 per cent of the Maritime Link. Both Nalcor and Emera own the Labrador Island Link; the percentage varies to ensure overall participation remains at 51 per cent and 49 per cent.

• As outlined in June 2016, both the Labrador Transmission Asset and Labrador Island Link are over budget. Increased costs of these transmission projects have led to increased Emera participation in the Labrador Island Link to ensure they maintain the original 49 per cent.

• Nalcor maintains 100 percent control of the Labrador Island Link and all of the transmission rights.

• However, Emera will get a greater percentage of the partnership distributions during the operating period because they will have contributed more of the required equity capital than Nalcor on the Labrador Island Link.

• It is estimated that Emera’s total equity investment in Labrador Island Link will be around $600 million, or around 59% of the capital account. This is the amount noted in their investor presentation.

• We are going to consider all options going forward. Key is to mitigate rates and lower costs. I remind everyone we are not responsible for this mess but we are focused on fixing it.
Questions and Answers:

Why are you only now telling the people of the province about this?
The agreements with Emera were made with the former government so you will have to ask them why it was structured this way. With regards to the partnership capital, I understand that was just recently announced by Emera during an investor presentation. [http://investors.emera.com/Cache/1001220189.PDF?Y=&O=PDF&D=&FID=1001220189&T=&IID=4072693](http://investors.emera.com/Cache/1001220189.PDF?Y=&O=PDF&D=&FID=1001220189&T=&IID=4072693)

Were you aware of this?
Government officials are knowledgeable about the agreements. The details about the partnership capital just recently came to my attention.

Can’t we do anything to change this, maybe put in more equity ourselves to balance the shares?
We are not in a position to provide this equity on the backs of Newfoundlander and Labradorians. Instead, we are looking at ways to mitigate the impact on ratepayers.

Will the PUB review the rate of return that Emera will get? Or is it fixed at 8.8 per cent?
The rate of return is fixed at 8.4 per cent for Muskrat Falls and the Labrador transmission Asset; and is pegged at the Newfoundland Power rate for the Labrador-Island Link which was 8.8 per cent at sanction. The Newfoundland Power rate is approved and set by the Public Utilities Board.

*Please note: The rate of return NFP currently earns as set by the PUB is 8.5 per cent.*

Background:

- The Nalcor/Emera agreements were signed in July 2012. Emera’s participation in the LIL is defined under the NL Development Agreement (NLDA) and the LIL Limited Partnership (LIL LP) Agreement, both which are available on the MF website.

- As part of these arrangements, Nalcor maintains 100 percent control of the LIL and all of the transmission rights.

- At LIL Sanction it was estimated that Emera was permitted to make equity contributions to the LIL LP partnership capital account of $409M. This was based on the cost estimates of LIL, LTA and ML at that time, a calculation under the NLDA whereby Nalcor’s portion of these transmission assets was 51% and Emera’s 49%, and that for Emera’s LIL investment they would fund 45% of it based on equity per their target Debt-to-Equity Ratio (DER) of 55:45.

- In accordance with the NLDA, the calculation noted above is done again following full commissioning of the entire project based on final costs of the LIL, LTA and ML. In the event Emera’s % of the transmission asset costs (based on the ML and their LIL additional investment) is less than 49%, they would have to pay a cash "true up"
to Nalcor in return for more LIL LP partnership capital account units to address this. Based on current cost estimates for these transmission assets, this amount is expected to be approximately $190M.

- As a result of the cost increases announced in June 2016, and the decision to seek the additional FLG of up to $2.9B to alleviate the amount of LIL equity that Nalcor/NL will need to fund (to the benefit of both NL ratepayers and taxpayers), Emera will get a greater percentage of the LIL partnership distributions during the operating period because they will have contributed more of the required equity to the LIL LP partnership capital account than Nalcor during the development period.

- Based on current cost estimates and the provisions of the NLDA, including the true-up noted above, Emera total equity contributions to the LIL will total around $600M, which would represent approximately 59% of the LIL LP partnership capital account.

Questions asked in House of Assembly on March 7, 2017

MR. SPEAKER: The hon. the Member for St. John's Centre.

MS. ROGERS: Mr. Speaker, last week the Premier said, when referring to Muskrat Falls power rates: In just three years, we will see double. That means people now paying $300 a month will be facing a staggering $600 for their power bill.

I ask the Premier: What measures is the Premier planning now to help homeowners, businesses and institutions prepare for these skyrocketing power bills?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, thankfully someone in this House had the wherewithal to ask a question about what is indeed a very pressing issue in this province.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: I'm not expecting the Official Opposition to be asking these questions. I wish they would.

Mr. Speaker, I did say in this House last week about one of the biggest challenges that we will face as a province is the doubling of electricity rates as a result, or mainly as a result of the Muskrat Falls Project.

We've put in many measures already. We talked about the sale of surplus power. We made that commitment for many years now. We lead that discussion when the Official Opposition refused to even go down that road. It took them a few years to get there when they started realizing the impact that this was having.
We're a few years away. We're going to look at whatever mitigating efforts. We know there will be things that will have to be done, Mr. Speaker, to deal with this, what is indeed a pressing issue.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's Centre.

MS. ROGERS: Mr. Speaker, the people of the province are waiting for those plans.

Mr. Speaker, Nova Scotia's UARB acted decisively in protecting the people of Nova Scotia from their excessive power bills, just as a regulator is supposed to do.

I ask the Premier: Why won't he give this province's PUB oversight of the Muskrat Falls Project so it can begin to protect the people here in Newfoundland and Labrador?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, the UARB in Nova Scotia – and we're seeing, obviously, lots of interest in provinces like Ontario as well, Currently, right now in our province we are just over 11 cents a kilowatt hour. So we are very competitive as it exists today. We know that mitigating efforts will have to be put in place in the future, but we're not quite there yet.

In terms of bringing the PUB into this process right now, this project is nearly 80 per cent either done or committed to at this particular point right now. So the PUB will have to be involved at some point in terms of rate setting, as they always do. But when you look at the legislation that we've sat through, both Bill 60 and 61, and the impact of Muskrat Falls, with a power purchase agreement that is in place for the supply and purchase of power from Muskrat Falls, there's very little that could actually be done right now because of the measures that have been put in place. We have a contract that is in place with Emera. There is a federal loan guarantee commitment.

So we will be there for the people of Newfoundland and Labrador who deal with this issue.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East – Quidi Vidi.

MS. MICHAEL: Mr. Speaker, a recent Emera document revealed it has a 59 per cent partnership capital in the Muskrat Falls transmission line. I ask the Premier, is this accurate and, if so, what are the financial implications for the people of this province?
MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, I think that the document that the Member opposite is talking about is some information that was put forward on a blog right now. But when you look at the way the financing was put in place, the structure was put in place by the prior administration, not by me – not by me at all, but by the prior administration and we've inherited this situation that we're currently into. When you look at the Emera investment in terms of the overall project, there are responsibilities. Because it was a prior administration that said for 20 per cent of the project, they would get 20 per cent of the power, Mr. Speaker.

So the final determination on what the percent would be have yet to be determined, Mr. Speaker. And we are very concerned – very concerned – of many missed opportunities for people in Newfoundland and Labrador as a result of this project.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East – Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Speaker.

I ask the Premier: Could the people of this province be on the hook for some of the costs to Emera for the two-year delay in Muskrat Falls and, if so, how much? Because they've paid for the Maritime Link; it's done. What's it going to cost us, that delay?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The project itself, when you look at the Emera component to it, it's a publicly traded company. As I said, the terms that were outlined in the contract by the prior administration is what they are. As a matter of fact, Mr. Speaker, Emera will get access to power once a third generating station or a third turbine actually starts producing power.

That is kind of where the contract is, Mr. Speaker. One of the astounding things that we see in that contract is that it is the people of Newfoundland and Labrador, because of the contract that was put in place by the prior administration, could potentially be on the hook for overruns on the Emera portion of this project.

SOME HON. MEMBERS: Hear, hear!
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