Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-153-2018)

On September 22, 2018, the Department of Natural Resources received your request for access to the following records/information:

All correspondence between Natural Resources and the Public Utilities Board in the last 12 months.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 40(1) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

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.

Please note the following records are publically available and can be found through the links below:

2017 General Rate Application – Expert Evidence Report
Newfoundland and Labrador Hydro ("Hydro") - 2017 General Rate Application (the "2017 GRA") Consumer Advocate Application to Delay Proceeding

NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES AN ORDER OF THE BOARD NO. P.U. 3(2018)

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. 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 request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner is 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

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed 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. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.
If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

[Signature]

Rod Hynes
ATIPP Coordinator
FYI – no comments from PUB on last drafting instructions...

Corey Snook  
Director of Electricity and Alternative Energy  
Department of Natural Resources  
Government of Newfoundland and Labrador  
St. John's, NL, Canada  
A1B 4J6  
coreysnoo@gov.nl.ca  
O: 709.729.3131 / M: 709.725.8186

From: Jacqui Glynn  
Sent: Monday, March 05, 2018 10:04 AM  
To: Snook, Corey  
Cc: MarkKing@nalcorenergy.com  
Subject: RE: Comments

Thanks Corey. We have no comments on the draft delivered by Mark.

From: Snook, Corey  
Sent: March 5, 2018 9:57 AM  
To: Jacqui Glynn  
Cc: MarkKing@nalcorenergy.com  
Subject: Comments

Hi Jacqui,

Do you have any comments or questions to discuss on the last drafting instructions Mark delivered?

Can we please have a quick phone call to close the loop?

-Corey

Corey Snook  
Director of Electricity and Alternative Energy  
Department of Natural Resources  
Government of Newfoundland and Labrador  
St. John’s, NL, Canada  
A1B 4J6
coreysnook@gov.nl.ca
O: 709.729.3131 / M: 709.725.8186

Newfoundland Labrador

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Okay, that is good.

John

On Jun 28, 2018, at 2:59 PM, Snook, Corey <coreysnook@gov.nl.ca> wrote:

FYI - from Jacqui- looks like it’s sorted out but Will call her tomorrow to double confirm...

-Corey

Corey Snook
Director, Electricity & Alternative Energy
Department of Natural Resources
Government of Newfoundland Labrador
coreysnook@gov.nl.ca
O: 1.709.729.3131
M: 1.709.725.8186

Begin forwarded message:

From: Jacqui Glynn <jglynn@pub.nl.ca>
Date: June 28, 2018 at 5:40:32 PM NDT
To: "Snook, Corey" <coreysnook@gov.nl.ca>
Subject: Re: OC

Thanks Corey. We did receive the oc for the diesel rates to continue. The deferral account proposed by Hydro in their gra is forefront in our minds these days so I automatically jumped to that when you mentioned deferral account.

Sent from my iPhone

On Jun 28, 2018, at 5:30 PM, Snook, Corey <coreysnook@gov.nl.ca> wrote:

Hi Jacqui,
I wanted to be sure you had the direction to continue the status quo with the 2006 diesel rate increase deferral.
Let’s chat first thing tomorrow.

-Corey
Hi Corey,

When you called this morning you asked if we had received an oc on the deferral account yet so I wasn’t sure if another oc was expected.

I’ll be in the office tomorrow morning if you want to chat.

Jacqui

Sent from my iPhone

Hi Jacqui,
I don’t understand what you mean about the deferral account. Can you please call me to discuss?

-Corey

Corey Snook
Director, Electricity & Alternative Energy
Department of Natural Resources
Government of Newfoundland Labrador
coreysnook@gov.nl.ca
O: 1.709.729.3131
M: 1.709.725.8186

On Jun 28, 2018, at 3:56 PM, Jacqui Glynn
<jglynn@pub.nl.ca> wrote:

We received on oc on the rural rates for the end of June 2018 but not on the deferral account.

Sent from my iPhone

On Jun 28, 2018, at 2:50 PM, Snook, Corey
<coreysnook@gov.nl.ca> wrote:

Hi
Jacqui,

Any OC yet?

-C

Corey
Snook
Director
of
Electricity
and
Alternative Energy
Department
of
Natural Resources
Government of Newfoundland and Labrador
St.
John’s,
NL,
Canada
A1B 4J6
coreysnook@gov.nl.ca
O:
709.729.3131
/ M:
709.725.8186

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T.

-----Original Message-----
From: Cowan, John
Sent: Tuesday, August 28, 2018 8:49 AM
To: Snook, Corey; Pennell, Tracey
Subject: RE: Tuesday

yes

John Cowan  
Assistant Deputy Minister (Energy) 
Department of Natural Resources 
Government of Newfoundland and Labrador 
St. John’s, NL    A1B 4J6 
jcowan@gov.nl.ca 
O: 709.729.1406 / M: 709.699.0269

-----Original Message-----
From: Snook, Corey
Sent: Tuesday, August 28, 2018 8:48 AM
To: Cowan, John <jCowan@gov.nl.ca>; Pennell, Tracey <TraceyPennell@gov.nl.ca>
Subject: FW: Tuesday

John and Tracey,

We are meeting the PUB at 11.

OK?

Corey Snook  
Director of Electricity and Alternative Energy (Acting) Department of Natural Resources Government of 
Newfoundland and Labrador 
St. John’s, NL, Canada    A1B 4J6 
coreysnook@gov.nl.ca 
O: 709.729.3131 / M: 709.725.8186

-----Original Message-----
From: Jacqui Glyn [mailto:jglynn@pub.nl.ca]
Sent: Tuesday, August 28, 2018 8:29 AM
To: Snook, Corey
Subject: Re: Tuesday

Morning,

11 works. See you then

Jacqui

Sent from my iPhone

> On Aug 27, 2018, at 11:04 PM, Snook, Corey <coreysnoo@gov.nl.ca> wrote:
> 
> Hi Jacqui,
> Will 9 work? Or 11?
> 
> -Corey
> 
> Corey Snook
> Director, Electricity & Alternative Energy Department of Natural
> Resources Government of Newfoundland Labrador coreysnoo@gov.nl.ca
> O: 1.709.729.3131
> M: 1.709.725.8186
> 
> > On Aug 27, 2018, at 6:23 PM, Jacqui Glyn <jglynn@pub.nl.ca> wrote:
> >>
> >> What time? We have meetings scheduled for 10 and 2 for the insurance
> >> review and I'd have to check Darlene's availability
> >>
> >> Sent from my iPhone
> >>
> >>> On Aug 27, 2018, at 6:12 PM, Snook, Corey <coreysnoo@gov.nl.ca> wrote:
> >>>
> >>> Hi Jacqui,
> >>> Can we meet again tomorrow morning?
> >>>
> >>> -Corey
> >>>
> >>> Corey Snook
> >>> Director, Electricity & Alternative Energy Department of Natural
> >>> Resources Government of Newfoundland Labrador coreysnoo@gov.nl.ca
> >>> O: 1.709.729.3131
> >>> M: 1.709.725.8186
> >>>
> >>> “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.”
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> > “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.”
September 5, 2018

Ms. Darlene Whalen
Chair - Board of Commissioners of Public Utilities
Prince Charles Building, Suite E-210
120 Torbay Road
St. John's, NL  A1A 5B2

Re: Reference to the Board of Commissioners of Public Utilities

Dear Ms. Whalen:

Pursuant to section 5 of the Electrical Power Control Act, 1994, the Government of Newfoundland and Labrador hereby provides the attached reference (the “Reference”) to the Board of Commissioners of Public Utilities (PUB) seeking its input on options to mitigate the impact of Muskrat Falls on electricity rates. As this Government has stated and demonstrated consistently since taking office, we value and respect the independence, transparency, and expertise of the PUB with respect to our Province’s electricity system and look forward to hearing from the PUB on the critically-important issues detailed in the Reference.

As you are aware, with the exception of Newfoundland and Labrador Hydro’s activities, the electricity-related activities of Nalcor Energy, including its subsidiaries, are not presently regulated by the PUB. To ensure clarity for the PUB, Nalcor, and all electricity system stakeholders, our Government has directed Nalcor to cooperate fully with the PUB in its Reference work and we remain confident in Nalcor leadership’s desire and readiness to address the challenges the Muskrat Falls Project presents for the Province’s electricity system and electricity rates.

If you have any questions or concerns in relation to this or any other electricity system matter, please feel free to contact my officials at NR who remain available at the convenience of the PUB.

Sincerely,

[Signature]

SIOBHAN COADY, MHA
St. John’s West
Minister

c. Honourable Dwight Ball, Premier
   Mr. Stan Marshall, President and CEO, Nalcor Energy
   Mr. Brendan Paddick, Chair, Nalcor Energy Board of Director
Reference Questions to the
Board of Commissioners of Public Utilities
Rate Mitigation Options and Impacts

The June 23, 2017 update on the Muskrat Falls Project by Nalcor Energy indicates the capital cost and during-construction financing costs of the Muskrat Falls Project have risen to $12.7 billion, which is more than double the estimated costs submitted to the Board of Commissioners of Public Utilities (the “Board”) in the 2011 reference question, when the Board was asked to compare the Muskrat Falls Project and an isolated-island alternative. The obligations under the Federal Loan Guarantee, dated November 30, 2012, place the financial burden of the Muskrat Falls Project on Newfoundland and Labrador ratepayers. As a result, the June 23, 2017 update forecasts that, without taking mitigating actions, rates for domestic customers on the Island of Newfoundland will increase to 22.89 cents per kilowatt hour in 2021, and related increases are expected for other Island rate classes. This rate increase is primarily attributable to the impact of cost recovery required for the Muskrat Falls Generating Station, Labrador Transmission Assets, and the Labrador Island Link projects, collectively known as the Muskrat Falls Project (the “MFP”), which was exempted from oversight by the Board on November 29, 2013.

Government’s position is that the projected rate increases associated with Muskrat Falls Project costs are not acceptable. Without intervention, these projected rate increases would likely cause financial hardship for customers in all rate classes on the island portion of Newfoundland and Labrador (“Ratepayers”). With the assistance of the Board, the Government of Newfoundland and Labrador wishes to examine options to reduce the impact of the Muskrat Falls Project on rates.

To assist with Government’s approach to this issue, pursuant to section 5 of the Electrical Power Control Act, 1994, the Government of Newfoundland and Labrador hereby refers the following matter to the Board:

The Reference Questions

The Board shall review and report to the Minister of Natural Resources on:

1) Options to reduce the impact of MFP costs on electricity rates up to the year 2030, or such shorter period as the Board sees fit, including cost savings and revenue opportunities with respect to electricity, including generation, transmission, distribution, sales, and marketing assets and activities of Nalcor Energy and its Subsidiaries, including NLH, Labrador Island Link Holding Corporation, LIL General Partner Corporation, LIL Operating Corporation, Lower Churchill Management Corporation, Muskrat Falls Corporation, Labrador Transmission Corporation, Nalcor Energy Marketing Corporation, and the Gull Island Power Company (together the “Subsidiaries”, and collectively with Nalcor Energy, “Nalcor”);

2) The amount of energy and capacity from the MFP required to meet Island interconnected load and the remaining surplus energy and capacity available for other uses such as export and load growth; and
3) The potential electricity rate impacts of the options identified in Question 1, based on the most recent MFP cost estimates.

These questions are the "Reference Questions". In answering the Reference Questions, the Board shall consider the power policy of the province, as set out in the Electrical Power Control Act, 1994, and the following:

- new and existing sources of Nalcor income that could be put towards reducing rate increases, including income from:
  - Nalcor power exports, including those from generation assets it owns or controls, the MFP, and Churchill Falls recapture power, taking into account any export-related costs such as those relating to Nalcor Energy Marketing; and
  - any other effective opportunities to find synergies, efficiencies and reduce duplication and costs within Nalcor and its subsidiaries.

- whether it is more advantageous to Ratepayers to maximize domestic load or maximize exports. Depending on the Board's recommendation, provide options for:
  - increasing domestic load, such as:
    - The electrification of industrial facilities and oil-fueled boilers in heating plants; and
    - Incentives for increased electrification and usage by NL ratepayers, including increasing number of ratepayers, electric vehicles and electric heating; or
  - increasing exports, such as:
    - Incentives for energy conservation, including for lowering system peak demand to maximize system capacity reserves, in order to increase availability of energy and capacity for export.

- forward-looking cost savings and opportunities for increased efficiency related to operating and maintenance of MFP.

- what are industry best practices related to external market purchases and sales of electricity.

On November 20, 2017, the Government of Newfoundland and Labrador issued the Commission of Inquiry Respecting the Muskrat Falls Project Order under the Public Inquiries Act, 2006. As part of its mandate, the Commission of Inquiry is required to examine the sanction and execution of the MFP. Therefore, to avoid duplicating the work of the Commission of Inquiry, the Board shall not review MFP construction costs in answering the Reference Questions.

Where the Board determines that information required by the Board for this review is commercially sensitive information, as defined in the Energy Corporation Act, and the Board also determines that the release of such information would significantly harm the competitive position of, interfere significantly with the negotiating position of, or result in financial harm to
Nalcor or a third party, the Board and its experts and consultants may use such information for this review but shall not release such information to any party.

For the purposes of this review, a consumer advocate shall be appointed pursuant to section 117 of the Public Utilities Act.

Any costs of the Board in respect of this review, shall be paid by Nalcor Energy, and shall not be considered MFP costs.

The Board shall provide an interim report to the Minister of Natural Resources by February 15, 2019. The interim report shall include the Board’s preliminary findings from Questions 1 and 2 with respect to reasonably-anticipated cost savings, and reasonable-anticipated revenue from surplus energy and capacity.

The Board’s final report shall be provided to the Minister of Natural Resources by January 31, 2020.

The Minister shall make the reports public.
Ms. Darlene Whalen  
Vice-Chairperson  
Board of Commissioners of Public Utilities  
P.O. Box 21040  
St. John’s, NL  
A1A 5B2

Dear Ms. Whalen:

**Re: Reference to Board of Commissioners of Public Utilities on Electricity Rate Management**

As set out in Section 5 of the *Electrical Power Control Act, 1994*, the Lieutenant-Governor in Council directs the Board of Commissioners of Public Utilities (the "Board") to conduct a review of options for Government to address concerns around electricity rate increases relating to the Muskrat Falls Project entering service.

The Board’s report shall be provided to the Minister of Natural Resources by November 30, 2018. Please provide me with a copy of your work plan and estimated timelines for the review when finalized.

Thank you for undertaking this very important review.

Sincerely,

SIOBHAN COADY, MHA  
St. John’s West  
Minister