

May 23, 2019



Dear :

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-86-2019)

On May 13, 2019, the Department of Natural Resources received your request for access to the following information:

Categorization of the Oil and Gas Corporation of Newfoundland and Labrador as a Directly Held Government Entity Information Note from March 2019 (see NR-64-2019 list of notes for more details if necessary to identify the note in question).

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 information. The records are attached.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the *Act*). 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.

The address and contact information of 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

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*.

Please be advised that this letter will be published following a 72 hour period after it 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 letter posted to the Completed Access to Information Requests website within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

A handwritten signature in cursive script that reads "Rod Hynes".

Rod Hynes
ATIPP Coordinator

Information Note
Department of Natural Resources

Title: Categorization of the Oil and Gas Corporation of Newfoundland and Labrador as a directly held government entity

Issue: The establishment of a new oil and gas corporation for the province requires a formal assessment under the Guidelines for Categorization of Government Entities. This assessment must be reviewed and signed by a member of the executive and the Minister.

Background and Current Status:

- The Guidelines for the Categorization of Government Entities are used by all government departments to guide in the process of assessing entities for categorization in accordance with Section 4(2) of the *Transparency and Accountability Act* (the Act).
- The Act requires that each government entity be categorized into one of three categories by the Lieutenant-Governor in Council with Category 1 entities expected to plan and report outcomes, Category 2 entities expected to plan and report outputs, and Category 3 entities expected to plan and report activities.
- With the establishment of the Oil and Gas Corporation of Newfoundland and Labrador as a directly held Crown Corporation via a Bill to enact the *Oil and Gas Corporation Act*, an assessment form must be completed, signed and submitted to the Planning and Coordination Office.

Analysis:

- The new oil and gas corporation will be responsible for the Province's investments in offshore exploration, future offshore equity interests, and supply chain development opportunities in support of Advance 2030 – The Way Forward on Oil and Gas. Nalcor Energy - Oil and Gas Inc. will remain a subsidiary of Nalcor Energy and retain its existing offshore equity interests (i.e. 4.9% Hebron, 10% Hibernia Southern Expansion and 5% West White Rose Expansion).
- The new oil and gas corporation has been categorized as a Category 1 entity based on the points assigned for the various criteria.
- Category 1 entities typically have a complex hierarchical structure, 5 or more programs or lines of business, are mandated to achieve outcomes, are significant users or generators of public funds, generate their own funds and normally make decisions that generate moderate to high public reaction.
- Bull Arm Fabrication Inc. will become a subsidiary of the Oil and Gas Corporation and will be included as a line of business whose activities will be reported as part of the newly formed corporation's strategic plan and annual report, and therefore, does not require separate categorization.

Prepared/Approved by: A. Philpott / D. Trask
Ministerial Approval:



March 14, 2019



Criteria for the Categorization of Government Entities Assessment Form

Instructions: Please read each criterion and select the response option that best describes the entity. Place the number of points designated to the response chosen in the right column. A response is required for all criteria. When finished, tally the points to determine the appropriate categorization.

Entity Name: Oil and Gas Corporation of Newfoundland and Labrador

Criteria	Response Options	Points
Organizational structures	<input checked="" type="checkbox"/> complex and consists of three or more levels of management	20 Points
	<input type="checkbox"/> uncomplicated and consists of two levels of management	15 Points
	<input type="checkbox"/> consists of one level of management or none	8 Points
Number of programs, products or services	<input type="checkbox"/> typically has 5 or more programs, products or services	20 Points
	<input checked="" type="checkbox"/> typically has 3 - 4 number of programs, products or services	15 Points
	<input type="checkbox"/> typically has 1 - 2 programs, products or services	8 Points
Results expected	<input type="checkbox"/> typically mandated to address well-being or process outcomes	10 Points
	<input checked="" type="checkbox"/> typically mandated to produce outputs	6 Points
	<input type="checkbox"/> typically mandated to complete activities	3 Points
Spending	<input checked="" type="checkbox"/> significant users or generators of provincial public funds	10 Points
	<input type="checkbox"/> budget varies in size depending on the entity's mandate	6 Points
	<input type="checkbox"/> budget not separate from the responsible Department or have a specific budget to complete mandated activities	3 Points
Source of funding	<input checked="" type="checkbox"/> generates own funds or is primarily funded by the government	10 Points
	<input type="checkbox"/> generates own funds or ≤ 50% of funds are contributed by partners	6 Points
	<input type="checkbox"/> usually provided by the responsible Department	3 Points
Public Interest	<input checked="" type="checkbox"/> general population	10 Points
	<input type="checkbox"/> specific areas of the population	6 Points
	<input type="checkbox"/> case specific	3 Points
Public reaction	<input checked="" type="checkbox"/> generates moderate to high public reaction in its decisions	10 Points
	<input type="checkbox"/> generates low to moderate public reaction in its decisions	6 Points
	<input type="checkbox"/> generates little or no public reaction in its decisions	3 Points
Total Points		81

Categorization: Based on the total points, check one of the categorization boxes below:

- 76 Points or above Category 1
 75 - 41 Points Category 2
 40 Points or below Category 3

Assessed by: *J. Coady*

Date: March 7/19

Approved by: *Paul Tomson*

Date: March 21, 2019

Minister: *J. Darby*

Date: March 23, 2019

Planning and Coordination Office Use Only:

Reviewed by: _____ Date: _____

Comments: _____