

Date : 5/28/2008 12:39:26 PM

From : "Matthews, Elizabeth"

To : "Turpin, Carmel" , "Nolan, Andrea"

Cc : "Cheeseman, Josephine" , "Barron, Tracy B."

Subject : RE: revised release

As long as we have sign off from Justice, NLH and NR officials, this is approved.

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Elizabeth Matthews
Director of Communications
Office of the Premier
Government of Newfoundland & Labrador
709.729.3960

From: Turpin, Carmel
Sent: Wednesday, May 28, 2008 12:35 PM
To: Matthews, Elizabeth; Nolan, Andrea
Cc: Cheeseman, Josephine; Barron, Tracy B.
Subject: revised release

Natural Resources
May 28, 2008

Energy Corporation Structure Ensures Accountability and Competitiveness

The Provincial Government is taking another step forward to implement the Energy Plan with legislation currently before the House of Assembly to establish the governance and accountability structure for the province's energy corporation and its subsidiaries.

"We have undertaken significant analysis and engaged external analysts to ensure our energy corporation is structured in a manner consistent with international best practices for government-owned corporations," said the Honourable Kathy Dunderdale, Minister of Natural Resources. "We are breaking new ground in resource development and the energy corporation will position the province as an international player, ready and able to compete around the world."

Since 2003, the Provincial Government has taken a series of steps towards positioning the province to have greater participation in resource development. The energy corporation was established to pursue energy developments on behalf of the people of the province. Amendments to the *Energy Corporation Act* tabled in the House of Assembly this week establish the public accountability process for the corporation and its subsidiaries, provide for the creation of subsidiaries, and protect the corporation and the Provincial Government, to the best extent possible, from risks associated with the activities of the subsidiaries.

"The energy corporation and its subsidiaries will remain subject to key accountability and disclosure legislation while commercially-sensitive information is protected," said Minister Dunderdale. "These changes continue to ensure strong oversight while meeting the requirements necessary for this province to be a strong partner and participant in the global energy business. The corporation will be subject to similar reporting requirements as companies listed on a stock exchange."

The Office of the Auditor General will continue to have unrestricted access and oversight to the energy corporation, its subsidiaries and all commercially-sensitive information. It will also have to protect commercially-sensitive information from disclosure, in carrying out its duties. If the office has a concern related to commercially-sensitive information, the office must report this to the Cabinet and the CEO and notify the House of Assembly. If there is an issue not related to commercially-sensitive information, it can be disclosed to the public.

The *Access to Information and Protection of Privacy Act* will continue to apply, with a similar provision to protect commercially-sensitive information. If an applicant has an issue with being denied certain information, an appeal can be made to the Office of the Information and Privacy Commissioner, who can bring it to the attention of the CEO and the Board of Directors. The CEO and the Board will review the request and, based on the test provided in the legislation, will decide if the information is commercially-sensitive and should remain confidential. If the applicant is not satisfied with the outcome, the applicant can pursue recourse as outlined in the legislation.

The energy corporation and its subsidiaries will continue to comply with the province's *Accountability and Transparency Act* and will be subject to specific public reporting provisions that provide greater access to information by the public, including an open public annual general meeting, a consolidated annual report and annual consolidated financial statements.

"We are committed to openness and accountability in our operations," said Ed Martin, President and CEO of Newfoundland and Labrador Hydro and the province's energy corporation. "It is a principle and value in our business and we see the importance of strong reporting and disclosure requirements. The success of our energy business will be built on gaining the support and trust of the people of the province as we move forward which requires openness and accountability."

The amendments also allow the corporation and its subsidiaries, to follow global best practices for procurement associated with large-scale projects and to include considerations, such as the principle of adjacency to maximize local benefits and Aboriginal

interests, not provided for in the *Public Tender Act*. Newfoundland and Labrador Hydro, as a regulated utility, will continue to be subject to the *Public Tender Act*.

These amendments to the *Energy Corporation Act* will allow the corporation to deliver on the key goals and objectives outlined in the Energy Plan and ensure the corporation is structured for commercial success in competitive industries.

“We want our energy corporation and its subsidiaries to participate fully in major energy projects and enter into agreements with its private-sector partners on behalf of the people of the province,” Minister Dunderdale said. “We are setting up this company and its subsidiaries for success in the energy business – success that will benefit all the people of the province. This is an important step in taking control of our natural resource developments and our future.”

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Media contacts:

Tracy Barron
Director of Communications
Department of Natural Resources
709-729-5282, 690-8241
tracybarron@gov.nl.ca

Dawn Dalley
Manager, Corporate Communication & Shareholder Relations
Energy Corporation/Newfoundland and Labrador Hydro
709-737-1315, 709-727-7715
ddalley@nlh.nl.ca

Carmel Turpin
Senior Director of Communications
Communications Branch, Executive Council
Government of Newfoundland and Labrador
(709) 729-0329 (709) 685-4624
carmelturpin@gov.nl.ca