

Date : 11/1/2010 11:39:50 AM
From : "Matthews, Elizabeth"
To : "Matthews, Elizabeth"
Subject : Fw: Cost Risk

-----Original Message-----

From: Brian Crawley
To: Henry
Cc: Elizabeth Matthews
Subject: Fw: Cost Risk
Sent: Oct 30, 2010 12:30 PM

-----Original Message-----

From: Ed Martin
To: Brian Crawley
Subject: Fw: Cost Risk
Sent: Oct 30, 2010 12:16 PM

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----- Original Message -----

From: Ed Martin
Sent: 10/30/2010 08:09 AM NDT
To: Gilbert Bennett; Derrick Sturge; Joanna Harris; Rob Hull; Paul Humphries; Chris Kirby
Subject: Re: Cost Risk
Another clarification discussion point;
1. 100 percent of "Extra investment" created by cost overruns on the Island Link allowed in the NL rate base would be owned by Nalcor (Emera's original investment protected, but not "growing" as a result of cost overruns, as they are not taking any risk on non-allowed Island Link costs).
2. 100 percent of "Extra investment" created by cost overruns on the Maritime Link allowed in the NS rate base would be owned by Emera. Nalcor would still land power on Cape Breton for "zero cost".
Ed

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----- Original Message -----

From: Ed Martin
Sent: 10/30/2010 07:54 AM NDT
To: Gilbert Bennett; Derrick Sturge; Joanna Harris; Rob Hull; Paul Humphries; Chris Kirby
Subject: Cost Risk

Additional clarification points for our discussion;

1. To the extent any investment was provided to the Project by the feds (say P3 and/or a loan guarantee and/or any other form of direct federal assistance) the benefit would be split 80/20 on full project cost, with 20 percent going to the benefit of the NS ratepayer, and 80 percent going to the NL ratepayer.
2. To the extent any "subsidy" was provided to the Project by NL (say cash from oil revenue, or a reduction in equity return, etc) the benefit would flow directly, 100 percent to the NL ratepayer, zero to Emera, and zero to Nalcor.
3. To the extent any subsidy was provided to the project by NS, the benefit would flow directly to the NS ratepayer, while Nalcor still landing power at Cape Breton for "zero" cost.
4. The benefit of any cost savings on the MF generation and Island link would flow directly to the NL ratepayer.
5. Any benefit overall savings on the Maritime Link would flow directly to the NS ratepayer, while Nalcor still landing power at Cape Breton for "zero" cost.

Ed

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