

**Kennedy, Jerome**

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**From:** Kennedy, Jerome  
**Sent:** Friday, November 16, 2012 9:34 AM  
**To:** Kennedy, Jerome  
**Subject:** Fw: Questions from Ball

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

From: Charles Bown  
To: Jerome Kennedy  
Subject: Questions from Ball  
Sent: Nov 15, 2012 8:12 PM

Questions from Meeting with Dwight Ball  
November 15, 2011

Attendees:

Dwight Ball  
Peter Miles  
Joy Buckle

Ed Martin  
Dawn Dalley  
Charles

1. How much equity is government required to put into the project? Will there be revenue for government through dividends?
2. Who is going to finance the project? What is the financing process? (statement - the only thing that makes this project robust is the PPA)
3. Explain the water rights issue and have you had any discussions with Hydro Quebec? ✓
4. What is the maintenance schedule at Upper Churchill? How long is each unit down when it is being re-fit?
5. What is the status of the FLG? Will it cover the full amount of the loan and the full term? ✓
6. When will Emera sanction and will it impact the loan guarantee?
7. What is the delivered cost of electricity at Holyrood? Why did electricity price decrease? (statement - the PPA will be a complex document) (statement - the worst thing we could have done was release the 23.9 cents per kWh)
8. What is the status of the 3rd line from Bay d'Espoir? Why do we need the line if we're doing MF? Is the 3rd line part of the ML?
9. What is the status of the transmission line from Churchill Falls to Labrador West for mining developments?
10. What happens if the full 40% allocated to customers on the island is not used in any given year? Re-stated - What happens to rates if demand for a given year is less than forecast?
11. Why did we do a 50 year analysis (2067) when the Energy Plan focuses on 2041?
12. Why cant we wait until 2041?
13. Why don't we develop Gull Island?

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**From:** Kennedy, Jerome  
**Sent:** Friday, November 16, 2012 9:42 AM  
**To:** Kennedy, Jerome  
**Subject:** Fw: Liberal Angles

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

From: Charles Bown  
To: Jerome Kennedy  
Subject: Liberal Angles  
Sent: Nov 15, 2012 8:25 PM

1. Province can't afford equity and overall project debt.
2. The take or pay PPA means that nalcor and lenders are protected. Only the ratepayers are at risk of cost overruns or lower demand.
3. If demand is lower (or costs are higher) than expected then electricity rates will have to increase.
4. The loan guarantee doesn't exist until Emera sanctions the ML.
5. MF power is very expensive. The delivered cost to Soldiers Pond is 20.8 cents and that will be higher if no loan guarantee.
6. The 3rd line from Bay d'Espoir is really part of the ML which NL ratepayers are paying for, not Emera.
7. There's no certainty that power will be available for mining companies. Govt and nalcor are pushing costs on companies and preventing development.
8. There's no certainty of sufficient power from MF because HQ can veto or scuttle the WMA.

Charles