

The House met at 2:00 p.m.

MR. SPEAKER (Wiseman): Order, please!

Admit strangers.

Before we start the proceedings today, the Premier – or the Speaker, rather, is extremely pleased to welcome to the Speaker's gallery – and I am certain the Premier will be very pleased to welcome the young gentleman as well; it is a real pleasure today to recognize a special guest in the Speaker's gallery. It is always nice to recognize the future of Newfoundland and Labrador and to acknowledge the wonderful talent that we have here in this Province.

Today we have Matthew Rogers and his mother Kathy Rogers. Matthew has been recognized for his video on Silver Fox Island, which was chosen as one of six winners of the 2012 Canada's History – Young Citizens Program.

Congratulations, Matthew, and welcome to our House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: As I have said, it is always a pleasure to welcome Newfoundland talent. Ladies and gentleman, Matthew and his friends are the future of our Province. With his leadership, and people like him, we are in good hands.

Statements by Members

MR. SPEAKER: Today we have members' statements from the Member for the District of Torngat Mountains; the Member for the District of Exploits; the Member for the District of Humber West; the Member for the District of Mount Pearl North; the Member for the District of Burgeo – La Poile; and the Member for the District of Bay of Islands.

The hon. the Member for the District of Torngat Mountains.

MR. EDMUNDS: Thank you, Mr. Speaker.

I rise in this hon. House today again to congratulate a provincial Triple-A championship team from the North coast of Labrador. This time it is the boy's volleyball team from Jens Haven Memorial School in Nain.

The JHMS Huskies won the provincial championship this past weekend in Arnold's Cove after defeating Tricentia Academy in the final game by a score of 25-21 and 26-24.

Once again, Mr. Speaker, athletic ability and sheer determination have defied the factors of isolation and distance in our young athletes from Nunatsiavut. The Huskies team of Nikki, Josh, Ryan, Donald, Brandon, Gustav, Julius, Todd, Hunter, and coaches Aaron, Bernard, and Christine, also defeated teams from Bay of Islands, Avondale, Bonavista, and New-Wes-Valley in claiming the title.

I applaud the efforts of the coaches and team members in this great achievement and the residents of the community of Nain for their continued support of the students of Jens Haven Memorial. In fact, Mr. Speaker, yesterday there was a parade in honour of their championship.

Mr. Speaker, I ask all hon. members to join me in congratulating the Jens Haven Memorial Huskies volleyball team for winning the provincial Triple-A championship.

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Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Exploits.

MR. FORSEY: Mr. Speaker, Leah Sheppard is a Level III student at Leo Burke Academy in Bishop's Falls. In October she received the Certificate of Appointment as Senior Environmental Cadet for the Royal Canadian Air Cadets of Newfoundland and Labrador for the 2012-2013 training year.

Leah has been a member of the 512 Air Cadet Squadron of Bishop's Falls for six years. Leah has won a number of awards with the 512 Squadron, including: Most Proficient First Year Cadet, Best Marksman, Best Dedicated, the Royal Canadian Legion Medal of Excellence, and the Air Cadet League of Canada Service Medal, to name a few. She was recently promoted to Warrant Officer One and Squadron Commander.

Mr. Speaker, in her new position she will be responsible for many duties, including communicating program information to senior cadets at each corps or squadron and coordinating issues of cadet population.

I ask all members of this House to join me in congratulating Leah Sheppard on receiving the Certificate of Appointment as Senior Environmental Cadet.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Humber West.

MR. GRANTER: Mr. Speaker, it gives me great pleasure to congratulate Gertrude Hynes and Beverley Smith on being presented with Queen's Diamond Jubilee Medals.

Gertrude Hynes, known as Gertie, has spent the better part of her life volunteering. Gertie started volunteering as a child in Reefs Harbour and it continued through her university years and into her working career. A former teacher, she has volunteered as a tutor, church volunteered in local hospitals and seniors' clubs, as well as sat with Alzheimer's patients just to share a story. Whether it is reading the bible to residents at a cancer ward or helping someone with dementia eat a meal, she is always there to help those in need.

Beverley Smith has been a volunteer for many years in her church and community. She was the chair of the Corner Brook Winter Carnival committee 1994, VON board member, associate vice-president of volunteers for the Canada Winter Games in 1999, and she has been chairperson of the Western Diocese with her church, to list as few, and she has found that success with volunteering is something she has come to respect.

I ask all hon. members to join with me in congratulating Gerty Hynes and Beverly Smith on their recent recognition.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Mount Pearl North.

MR. KENT: Thank you, Mr. Speaker.

I rise in this hon. House today to recognize three residents of Mount Pearl: Bernice Miller, Pat O'Keefe Senior, and Melvin Hong, recent recipients of the Queen's Diamond Jubilee Medal.

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Bernice Miller served on Mount Pearl City Council, and some of her volunteer contributions include: serving as past President of the Knights of Columbus Women's Auxiliary, and volunteering with Scouts Canada.

Pat O'Keefe is a former Town councillor of Mount Pearl, former Grand Knight of the Knights of Columbus in Mount Pearl, President of the Mary Queen of the World Church Parish Council, Member of the Frosty Festival Organizing Committee, and a volunteer with the Mount Pearl Minor Hockey Association, and Scouts Canada.

Mel Hong was an educator for more than thirty years. He is a former volunteer with the provincial swimming association, and the national office, former President of the Newfoundland and Labrador Chinese Association, and current member of the Shea Heights Committee Assisting with Community Matters.

I would like to once again thank these individuals for their contributions, and ask that all Members of the House of Assembly join me in congratulating them as well.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Burgeo – La Poile.

MR. A. PARSONS: Thank you, Mr. Speaker.

I rise in today to recognize and congratulate St. John the Evangelist Church, which celebrated its one-hundredth anniversary in Burgeo this past June, with a dinner followed by a church service. It was my great honour and privilege to be included in this celebration.

Construction on this church began on April 1, 1911, and the first service was conducted by Reverend E.H. Fletcher, Rector, on July 14, 1912. It cost approximately \$5,000 to construct the church with its two towers and spires. On August 4, 1912, the church was consecrated by Bishop Jones, and on that date, ninety-two females and 103 males were confirmed. In 1967 the church underwent major renovations, entitled A Work of Renewal, which saw the removal of the two towers, spires, and central roof, giving it an entirely new look which remains today.

The church is still a vibrant part of the Town of Burgeo and has a large following of faithful parishioners.

Mr. Speaker, I ask all members of this House to join with me in extending congratulations to St. John the Evangelist Church on their one hundredth anniversary. May you continue to thrive and grow for another hundred and beyond.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Bay of Islands.

MR. JOYCE: Mr. Speaker, I rise in this House today to recognize the recipient of the Queen Elizabeth II Diamond Jubilee Medal.

Evelyn Hancock of Irishtown volunteered with the Bay of Islands SPCA animal shelter for over thirty years. She served in various roles and took on many duties, but most notably as the shelter director and special investigation officer covering the West Coast, Northern Peninsula as far as the Baie Verte Peninsula.

Evelyn was the go to person for the SPCA and could be called upon any time. She worked closely with the RCMP and the RNC when needed to rescue neglected or abused animals. Her countless hours of dedication to the SPCA and animals that needed to be helped is immeasurable. On many occasions, she carried out her duties at her own expense, never hesitating to do so.

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Mr. Speaker, Evelyn spearheaded many fundraising events for the shelter, always promoting awareness of abuse and neglect of animals. In 2009, Evelyn was recognized by the Royal Bank with a certificate of contribution to the community award. Her passion has inspired many people to volunteer their time to help abused and neglected animals.

Mr. Speaker, I ask all members to join me in congratulating Evelyn on a well-deserved medal.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Minister of Tourism, Culture and Recreation.

SOME HON. MEMBERS: Hear, hear!

MR. FRENCH: Mr. Speaker, today I would like to congratulate eleven-year-old Matthew Rogers as one of the six winners of this year's Young Citizens Program, and I am so pleased he is here with us today.

The Canada's History Young Citizens Program is an initiative that encourages students to showcase aspects of their history through filmmaking and to share their projects through a national on-line forum.

Approximately forty schools held heritage fairs across the Province. Matthew first presented his history project at a heritage fair held at Roncalli Elementary. He was later chosen as one of the top 200 students who presented projects at regional heritage fairs held across the country. He received a digital video camera to create a short film based on his heritage fair project about Silver Fox Island.

Matthew's video was posted on the Web site for the Young Citizens Program where it was voted in the top thirty. Then, a panel of judges selected Matthew's submission as one of six winners across Canada for 2012.

Matthew is from St. John's, actually a resident of Premier Dunderdale's Virginia Waters District, but his roots are on Silver Fox Island in Bonavista Bay. Retracing the steps of his forefathers, Matthew documented the hardships, traditions, and way of life on Silver Fox Island before and after the resettlement of the region.

Mr. Speaker, Matthew Rogers was the only person from our Province to receive this honour through the Young Citizens Program. He travelled to Ottawa this past weekend to present his project during the National History Forum at the Canadian War Museum and attended the Governor General's History Awards at Rideau Hall.

On behalf of the provincial government and the people of our Province, I congratulate Matthew Rogers as one of the winners of the 2012 Young Citizens Program. I applaud his exceptional creativity and extensive knowledge of his heritage.

Congratulations, Matthew.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Bay of Islands.

MR. JOYCE: Thank you, Mr. Speaker.

I thank the minister for an advance copy. It is good to see Matthew. I say to the Premier, you have a young consistent, you had better watch out for your job. He is a very up and coming young man.

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Mr. Speaker, in this House many times we, as all parliamentarians, talk about our culture and our history. We always talk about how much we need to go back and look at it. Instead of talking about it, Matthew took an initiative to show people what it was like in the past, what it was like for resettlement, and what it is like now. It is something that is going to be seen all around Newfoundland and Labrador, Canada and around the world.

Matthew, most of us in here have problems turning on a cellphone. When we see someone like you and what you can do, we are a bit jealous. I can assure you, your ingenuity is great.

On behalf of all of the members in the House of Assembly, Matthew, thank you very much for keeping Newfoundland and Labrador heritage and customs alive. Thank you very much for your personal endeavour to show what leadership we have here in Newfoundland and Labrador, and thank you very much, as Newfoundlanders and Labradorians we are all proud of what you have done for all of us.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for The Straits – White Bay North.

MR. MITCHELMORE: Thank you, Mr. Speaker.

I, too, thank the minister for an advance copy of his statement, and a big congratulation to Matthew Rogers for his national award of a video depicting resettlement, past and present, of Silver Fox Island.

Our history and our culture are so important. I, myself, have been blogging about rural stories, art, heritage and culture in Newfoundland and Labrador, and I applaud the government for their involvement in the heritage fair program connecting youth to our roots.

I look forward to continued investment in our heritage and cultural industries and commend Matthew for his contribution to society. You will certainly go far. Well done.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Child, Youth and Family Services, and the Minister Responsible for the Status of Women.

SOME HON. MEMBERS: Hear, hear!

MS JOHNSON: Mr. Speaker, I rise in this hon. House today to announce that \$200,000 in funding has been awarded to nine new projects aimed at addressing violence against Aboriginal women and children in Newfoundland and Labrador.

This funding is made available through the Aboriginal Women's Violence Prevention Grants Program of the Women's Policy Office, the lead department of the provincial government's Violence Prevention Initiative. Over the last eight years, eighty-one projects have been funded through this program.

This year's recipients are: the St. John's Native Friendship Centre; NunatuKavut Community Council; Sheshatshiu Innu Band Council; Nunatsiavut Government; Flat Bay Indian Band; AnanauKatiget Tumingit; Newfoundland Aboriginal Women's Network; Mushuau Innu First Nation; and Conne River Health and Social Services.

Criteria for the grants include a focus on violence prevention action plans, public awareness and education materials or activities, healing programs, improved programs and services at shelters for Aboriginal women, the development of Aboriginal women's leadership, economic or educational capacity, and improved cultural strength of Aboriginal communities.

Mr. Speaker, these criteria are based on needs identified by Aboriginal women at the National Aboriginal Women's Summit held in Corner Brook in 2007 and annual Aboriginal women's conferences.

Through our \$12 million Violence Prevention Initiative, we are proactively working to identify long-term solutions to prevent violence, including violence against Aboriginal women and children.

We all have a responsibility to address violence. Through the tremendous work being done at the community level and through our annual grants program, we continue to work with our community partners to make a difference in the lives of Aboriginal women and children in our Province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Torngat Mountains.

MR. EDMUNDS: Thank you, Mr. Speaker.

I thank the minister for an advance notice of her statement.

Mr. Speaker, the statistics on violence against Aboriginal women and children is staggering. In 2005, Mr. Speaker, the United Nations Human Rights Committee expressed its concern that Aboriginal people are far more likely to experience a violent death than any other Canadian woman and called on Canada to address this violence.

The Native Women's Association of Canada has been documenting cases of Aboriginal women going missing and/or being murdered across this country. Of the women who were murdered, Mr. Speaker, no one has been arrested or charged in 58 per cent of the cases. Comparable rates for cases in Canada involving non-Aboriginal women, is 15 per cent.

Mr. Speaker, I have lobbied for tougher sentences in violent cases in Northern communities and I will continue that lobby. Many sentences have been too lenient and do not reflect the harm caused to victims. On the North Coast, Mr. Speaker, circuits are being cut back limiting access to justice for women and children in domestic violence situations.

Mr. Speaker, I congratulate this year's recipients for funding under the Violence Prevention Initiative. I do look forward to positive outcomes.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's Centre.

MS ROGERS: Thank you, Mr. Speaker.

Mr. Speaker, I too would like to thank the minister for the advance copy of her statement. Congratulations to the Aboriginal women's groups for the projects they designed for this grants program.

Because they designed the projects themselves, reflecting the needs in their own communities, the work they do will be effective. I thank them for their work, their expertise, and their dedication. Increasing poverty among women and children and the lack of affordable housing are often determinants in women being able to escape violent situations.

The current Violence Prevention Initiative has come to an end. It is imperative that the renewed Violence Prevention Initiative be strong enough to address the significant violence against women we are seeing. The

rapes and murders and assaults on women have to stop.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's have leave?

AN HON. MEMBER: No.

MR. SPEAKER: Before we start Oral Questions, I just wanted to apologize to members of the House. The heating system is malfunctioning again today. The day before yesterday we were really cold, yesterday we were really hot, and today we are really cold again. Apparently we have some mechanical malfunctions that are being worked on, so I hope that we will have it corrected before the session is over today. I would offer members some flexibility if they find themselves uncomfortable, if they wanted to wear some outside clothing or some additional sweaters or something to help them stay warm. I apologize for the heating system; maybe the Minister of Transportation and Works can get a woodstove for us next week.

Oral Questions

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Thank you, Mr. Speaker.

Thank you for the opportunity to layer up.

Mr. Speaker, on December 3, the Minister of Natural Resources said Nalcor and Emera were looking at ways to expedite the sanctioning of the Muskrat Falls Project; yesterday the same minister said that they have now slowed down the sanctioning process.

I ask the Premier: After trying to expedite the process, why is it now slowed, and what is the new expected date to sanction Muskrat Falls?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I could be wrong; I do not remember saying anything about slowing down the process. Basically, discussions are ongoing in terms of commercial arrangements between Nalcor and Emera. Mr. Speaker, the definition of sanction is broad; it is outlined in the federal loan guarantee. Sanction is not, as I have said in the past, to be confused with regulatory approval out of Nova Scotia.

Mr. Speaker, as for when it happens, it will take place when the agreements are finalized. However, let me say this: at this point we will not be making a decision to sanction until every i is dotted, t is crossed, and the federal loan guarantee – which is worth a billion dollars to the people of this Province – is firmly in place.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Thank you, Mr. Speaker.

Well, we do know for a number of reasons this deal was supposed to be sanctioned before Christmas. Even Nalcor themselves have said they want it before the end of the year.

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Mr. Speaker, the Premier should rethink the deal that was signed with Stephen Harper based on section 4.4 of the term sheet for the federal loan guarantee. The Premier has left it wide open and allowed an incomplete list of default events that could be included, really, at any time.

I ask the Premier: You signed the term sheet; what happened to crossing those t's and dotting the i's? Why does the term sheet contain such loose terms that could set this government up to put this \$1 billion loan guarantee promise in jeopardy?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

Mr. Speaker, this federal loan guarantee document was negotiated over a period of six months. It was trying at times. There was a lot of the discussion as to the language to go in there. As I have indicated in the past, the Premier stood firm twice in the last couple of weeks prior to the signing of the loan guarantee to ensure we received the maximum benefit for the people of Newfoundland and Labrador.

Most of the terms in here, Mr. Speaker, are standard commercial clauses. The event of default in a loan guarantee is standard in terms of if for whatever reason – and again, I cannot contemplate how – we would not pay the money on the project and the guarantee would kick in. Mr. Speaker, the conditions present are outlined and we feel all of these can be met and sanction will be obtained.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Mr. Speaker, there is no question that with so many unanswered questions in that term sheet this project is still in jeopardy with the default events that are not clearly outlined. Mr. Speaker, the Premier has given Stephen Harper and his government an exorbitant amount of power, which could have dire consequences for the people of Newfoundland and Labrador. The terms of the loan guarantee are so loose that even the Minister of Natural Resources admitted yesterday that this is far from a perfect arrangement.

I ask the Premier: Did you slow down sanctioning or is this deal being slowed down simply because you now realize just how many loopholes are in this deal?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DUNDERDALE: Thank you, Mr. Speaker.

Mr. Speaker, this project is in the best interests of the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

PREMIER DUNDERDALE: Mr. Speaker, as hard as the Opposition parties have tried over the last two years, they have not been able to come forward with one substantive critique of this project that stood up under the scrutiny of experts. They have finally acquiesced that we need the power. If we are not going to do Muskrat Falls, Mr. Speaker, what is their solution? The next viable alternative is \$2.4 billion more expensive.

We have the loan guarantee, we have sound planning, we have a good project, and Newfoundlanders and Labradorians are going to be well-served by Muskrat Falls.

SOME HON. MEMBERS: Hear, hear!

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MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Well, I will ask the Premier one question – she is on record as saying that this project should be sanctioned before Christmas.

Do you now still plan to sanction this project before Christmas?

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER DUNDERDALE: Thank you, Mr. Speaker.

Mr. Speaker, patience is a good thing, and I recommend it to the Leader of the Opposition. We have some time. I am sure if he has an Advent calendar he would know that we have some time yet before Christmas, and all will become clear, Mr. Speaker, in due time.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Thank you, Mr. Speaker.

Well, I do have a lot of patience, to be quite honest with you, and what I do know is that there are still a lot of unanswered questions about this project. We are putting the next number of generations at risk here with this project, Mr. Speaker. We all know there are some serious financial consequences if we do not get it right.

Mr. Speaker, under the Muskrat Falls DG2 cost estimates, power from the project delivered to Soldiers Pond was 23.9 cents. I have asked this question a number of times right now. The project has now gone up by 25 per cent. I anticipate the cost to Soldiers Pond is in the thirty-cent range without cost overruns.

I ask the Premier: Will you now tell the people of this Province, what is the delivered construction cost of this power to Soldiers Pond?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I did answer that question in the House of Assembly about a week and a half ago in one of my discussions.

Mr. Speaker, the cost of power delivered to Soldiers Pond will be 20.8 cents per kilowatt hour. The same cost of a kilowatt hour at Holyrood in 2017 will be 22.3 cents, Mr. Speaker. The answer is quite simple, Mr. Speaker, is that when you blend all the power together we get a lower rate, which is where our 15.2 cents comes from, and the price has decreased as a result of the impact of the federal loan guarantee.

The DG3 costs went up, financing costs have gone down. There has been an increase in demand for power that has resulted in a lower cost of delivered power to Soldiers Pond, but it is the 15.2 cents that counts.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. BALL: Mr. Speaker, the cost of the project for Muskrat Falls, plus the transmission, is \$6.2 billion. In DG2, it was \$5 billion. Now, that has gone up \$1.2 billion. That is around a 25 per cent increase. It was 23.9

cents then for 824 megawatts of power.

Can somebody explain to me how it can actually drop three cents based on that math?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I think, Mr. Speaker, that the Opposition Leader has had the opportunity to discuss this with Mr. Martin. The federal loan guarantee was not included in the Decision Gate 2 numbers, it was not included. The federal loan guarantee is included in the Decision Gate 3 numbers, Mr. Speaker. Also, their demand has gone up which means that the cost for a unit of power has gone down.

Mr. Martin will be available at any time, as he has always been, to explain to the Liberal Opposition Leader, Mr. Speaker, why this is so, and it makes sense. It costs 18.5 cents today for a kilowatt hour at Holyrood. In 2030, Holyrood would cost 30.3 cents a kilowatt hour, Muskrat Falls 16.6 cents delivered to Soldiers Pond. It all makes sense, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Torngat Mountains.

MR. EDMUNDS: Mr. Speaker, yesterday the RCMP arrested three NunatuKavut elders at Muskrat Falls Project and charged them with breach of an injunction, when all they want is meaningful consultation with government and Nalcor.

I ask the Premier: Why are you allowing such strong-arm tactics on our Aboriginal elders to push your Muskrat Falls Project through?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

The court has issued an order in relation to what can and cannot be done at the Muskrat Falls site.

Mr. Speaker, the Premier has indicated in previous occasions, and I have stated this, as have other previous Ministers of Justice, that consultation is on a spectrum. You consult based on where you stand on that spectrum.

If the NunatuKavut government, Mr. Speaker, wished to have – or if they are recognized by the federal government pursuant to section 35 of the Constitution, we will recognize their rights. If they go to court, Mr. Speaker, and they achieve constitutional status, we will recognize their rights, but do not confuse consultation with constitutional rights.

Mr. Speaker, it is rather unfortunate here, but I heard one member – apparently one of the individuals arrested said he was quite happy he was arrested and he would have been disappointed if it had not happened that way.

SOME HON. MEMBERS: Hear, hear!

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MR. SPEAKER: The hon. the Member for Torngat Mountains.

MR. EDMUNDS: Mr. Speaker, one of the elders arrested yesterday has been using the Muskrat Falls area as his traditional hunting and trapping grounds for decades. Without consultation or compensation those same elders are now being denied their Aboriginal traditional rights.

I ask the Premier: Why are NunatuKavut people of Labrador being denied their Aboriginal rights without consultation or compensation?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Yes, thank you, Mr. Speaker.

I had the opportunity to read Justice Stack's decision on the issue of the injunction and the safety zone. He reviewed quite clearly the effect of the Court of Appeal decision in terms of where the Metis Nation stood on the duty to consult.

Again, Mr. Speaker, the duty to consult can, in relation to NunatuKavut, simply be having a conversation, having a discussion. With the Innu, because of their recognized Aboriginal constitutional rights, Mr. Speaker, there is a higher form of consultation.

NunatuKavut was given money to attend at the Environmental Assessment hearings. They have been consulted with. I met with President Todd Russell one day. So I do not know how far you would go with consultations, but once a court issues an order, Mr. Speaker, whether we like it or not, we all have to respect the decisions of this country.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Torngat Mountains.

MR. EDMUNDS: Mr. Speaker, out-of-Province hunters have begun harvesting the George River caribou herd in Central Labrador. Yet, when it comes to enforcement, this government is more concerned with arresting NunatuKavut elders for walking on their traditional hunting grounds.

I ask the minister: What enforcement measures are being taken to ensure that the hunt is done in a sustainable and conservative manner?

MR. SPEAKER: The hon. the Minister of Environment and Conservation.

SOME HON. MEMBERS: Hear, hear!

MR. HEDDERSON: Mr. Speaker, we, as a government, realize the pressures on that particular herd at this particular time. We are in the process now of doing the analysis that is required for us to move forward with a plan, not only on a yearly basis but certainly for the next five years. Because it is very, very important that the herd be protected and that we make the right decisions in order to move forward to sustain that very valuable resource to the people of Labrador, especially our Aboriginal population.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Burgeo – La Poile.

MR. A. PARSONS: Mr. Speaker, it has come to our attention that provincial circuit courts will be removed from several rural communities. These circuit courts here range in matters, including criminal law, highway traffic, hunting and fishing, small claims, amongst others.

My question to the minister: Can he confirm that this is indeed the case, and will he confirm which communities will be affected?

MR. SPEAKER: The hon. the Minister of Justice.

SOME HON. MEMBERS: Hear, hear!

MR. KING: Thank you, Mr. Speaker.

I can confirm indeed that I have been advised by Chief Judge Pike for the provincial courts that there will be some changes. As all of us would recognize from time to time, government and arms of government go through reviews, looking at both cost savings and efficiencies in delivering services. I understand that the chief judge has done such a review to look at provincial courts and the deliberation of how legal services will be provided throughout the Province.

That review included looking at deployment of human resources, the cost of offering the service, the caseload that is being heard in various parts of the Province. As a result of that, there are a number of locations that will be consolidated.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Burgeo – La Poile.

MR. A. PARSONS: Mr. Speaker, removing communities from the circuit court will mean huge barriers in accessing court services. This includes victims and their families and the accused. Restricting access to court services is restricting access to justice.

My question to the minister: Will the minister commit to maintaining these services in communities so that people in rural communities can still have access to justice?

MR. SPEAKER: The hon. the Minister of Justice.

SOME HON. MEMBERS: Hear, hear!

MR. KING: Mr. Speaker, the delivery of the justice system is not a direct responsibility of government when you are talking about courts and locations of courts throughout the Province. That is independent of us and it has to be, and it has to be perceived to be that way by the public, Mr. Speaker. So, no, I cannot commit to that.

What I can commit to is that based on a discussion I have had and the briefing I have received, the chief justice has done a thorough review and contemplated everything in this decision including, Mr. Speaker, deployment of resources, because it is very important that we maximize the limited amount of resources, including judges and support staff that we have in the Province, to provide the best possible service available. In the instances where they are looking at changes, Mr. Speaker, it has been very obvious over the last three or four years, a trend of declining numbers of participants in the court process.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Bay of Islands.

MR. JOYCE: Mr. Speaker, once again this House is subject to government's confusion, conflicting statements, and no clear answers on the proposed hospital in Corner Brook. The Minister of Finance said a billion dollars was never discussed as a price tag. The Premier tried to defend her statements to Corner Brook City Council in saying over a billion dollars is what I said.

I ask the Premier: Who is correct, the Minister of Finance, the Premier, or the city council of Corner Brook and Councillor Leo Bruce?

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MR. SPEAKER: The hon. the Minister of Health and Community Services.

SOME HON. MEMBERS: Hear, hear!

MS SULLIVAN: Thank you, Mr. Speaker.

Mr. Speaker, what is absolute in this is that this government has committed to building a hospital in Corner Brook, and we are going to do that.

SOME HON. MEMBERS: Hear, hear!

MS SULLIVAN: Now, Mr. Speaker, we have spent almost \$20 million now on that hospital in Corner Brook. That demonstrates commitment, Mr. Speaker. We have never ever, in any sense, backed away from that commitment and we will not.

Mr. Speaker, I have spoken in this House on a number of occasions now, outlining the latest plan that has been happening, the fact that we have hired Stantec, the fact that my staff have been out there. We have been in consultation with the RHAs. We have been working with our regional leads, Mr. Speaker, and we are progressing. Those are the facts. That is what is happening in Corner Brook.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Bay of Islands.

MR. JOYCE: Mr. Speaker, I have been hearing the same speech for six years; so have the people in Corner Brook.

The former Minister of Transportation and Works said that it was in the pre-design, the Minister of Health said it is in the design stage. The Minister of Finance, in 2011, said construction starting in 2012. Who are you to believe in this House, Mr. Speaker?

Mr. Speaker, now that we have a six-year delay on the hospital in Corner Brook, the Minister of Health said that Stantec has been hired to see what type and size of hospital we need. This is long after, I might add, the people of Corner Brook were told construction would start in 2012 by the Minister of Finance.

I ask the Premier: Will you commit today that part of Stantec's review would include public meetings to get input from the people who have the most at stake – the people of Western Newfoundland?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

SOME HON. MEMBERS: Hear, hear!

MS SULLIVAN: Thank you, Mr. Speaker.

Mr. Speaker, there does seem to be some confusion in this House and it appears to be with the hon. member opposite. He is talking about six years ago. I think he was only elected, though, just in the last little bit of time, the last year or so. Anyway, we will leave that for him to sort out at another time.

Mr. Speaker, the people of Western Health are, in my opinion, some of the best, most highly-qualified staff that we have working in health care.

SOME HON. MEMBERS: Hear, hear!

MS SULLIVAN: Mr. Speaker, they have been committed to this project also. There has been a lot of consultation with that staff. They continue to speak with us. They continue to show us what is needed on the

front line. Mr. Speaker, that is where our real concern is; it is ensuring that on the front lines we are going to provide a service that the people of Western Newfoundland need and deserve. That is still –

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. Barbe for a very quick question without preamble, please.

MR. BENNETT: Mr. Speaker, while displaced workers from the OCI plant in Marystown are working –

MR. SPEAKER: Without preamble, please. No preamble.

MR. BENNETT: I ask the minister: Why did your government fall down on the job of protecting workers in Marystown while they looked after the workers in Burin?

MR. SPEAKER: The hon. the Minister of Fisheries and Aquaculture for a quick response.

SOME HON. MEMBERS: Hear, hear!

MR. DALLEY: Mr. Speaker, our government is on record as making very strong commitments to rural Newfoundland and Labrador and the people who work in these communities. The issue of OCI, Fortune, and yellowtail continue to work through that issue to find a reasonable solution. Ultimately, at the end of the day we will do what we can to protect our plant workers and our fishery.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

SOME HON. MEMBERS: Hear, hear!

MS MICHAEL: Thank you very much, Mr. Speaker.

The Minister of Natural Resources said in Question Period yesterday that in regard to Muskrat Falls, there is still a role for the Public Utilities Board, but it will not be the same role as they would otherwise have.

Mr. Speaker, I ask the minister: Will he please tell us in this House today what this role of the PUB in relationship to Muskrat Falls is going to be?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

Section 5.1 of the Electrical Power Control Act outlines circumstances or situations where the government can direct the PUB to take certain actions or to follow direction. Section 5.2 outlines situations where exemptions can be granted, Mr. Speaker, as we have seen in the past with the former government.

Essentially, Mr. Speaker, we will be dealing with this next week and we will be looking at a situation where we do what is best in the public interest. In order to obtain the \$1 billion of financing that is coming to us from the federal government, Mr. Speaker, we have to comply with some of the terms that are outlined in the federal loan guarantee.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS MICHAEL: Thank you very much, Mr. Speaker.

Section 5.8 of Bill 53 says Muskrat Falls is exempt from the Public Utilities Act.

Mr. Speaker, the Premier and her Minister of Natural Resources keep insisting that the PUB must have a restricted role in relation to Muskrat Falls because they require a guaranteed revenue stream in order to satisfy the terms of the loan guarantee. The PUB's mission is to achieve an equitable balance between the interests of consumers and electric utility service providers, among others.

Mr. Speaker, I ask the Premier: Why doesn't she trust the PUB to do this job in relation to Muskrat Falls as it already does with other corporations?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Yes, thank you, Mr. Speaker.

It is important when we talk about the PUB, we are talking about a regulatory board, Mr. Speaker. They act upon directions given to them by government that is outlined in legislation. Essentially, Mr. Speaker, they look at various issues as requested by government.

They were requested by government to look at the issue of Muskrat Falls and whether or not it was the lowest-cost option. After \$9 million, Mr. Speaker – excuse me, nine months and \$2 million – they chose not to offer any advice. That obviously caused concern, Mr. Speaker.

We have a situation with Muskrat Falls where there has to be a guaranteed revenue stream. There is nothing unusual about that in commercial arrangements. Next week we will talk about how we are going to achieve that result while still recognizing the role of the PUB.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS MICHAEL: Thank you, Mr. Speaker.

There are terms and conditions in the federal loan guarantee that cannot be met until after government sanctions the project, which I understand now is not going to be tomorrow. This could mean billions spent before a federal loan guarantee is secured.

Mr. Speaker, I ask the Premier: How much money will government spend before they know whether or not they will qualify for the federal loan guarantee?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Yes, thank you, Mr. Speaker.

There are terms and conditions in the loan guarantee as there are in any other commercial arrangement or loan guarantee.

Mr. Speaker, the requirements for the federal loan guarantee is that of sanction. We are looking at when and if we can get to that process. However, I have indicated and the Premier has indicated that prior to sanction there will be no further money spent on Muskrat Falls, at least in terms of coming out of my department, Mr. Speaker.

We allowed for money to go to Nalcor a number of months ago to build a road. At this point there has been no further monies come out of the department, Mr. Speaker. After the decision on sanction, when we know we have the loan guarantee based on sanction, that is when the go-ahead will be.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Leader of the Third Party.

MS MICHAEL: Thank you, Mr. Speaker.

The loan guarantee term sheet stipulates the federal government is to receive regular and thorough financial and operational reports.

Mr. Speaker, I ask the Premier: Will she make these reports public and available to the people of the Province?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

One of the interesting arguments over the last year or two is that we do not have enough oversight in Muskrat Falls. We have SNC-Lavalin up there and it is not enough to have Nalcor oversee them. Mr. Speaker, what we are doing here, we are ensuring financial accountability. The independent engineer, under section 4.9, has to ensure that matters are proceeding in accordance with good utility practice.

So all of this, Mr. Speaker, is meant to ensure that the project is going the way it should go, and the more oversight the better, because it ensures that the people of the Province and, in fact, the people of this country are protected.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Leader of the Third Party.

MS MICHAEL: Thank you very much, Mr. Speaker.

I am glad the minister mentioned this independent engineer. I wonder then: Could he tell us what is the name of the engineering company to whom this independent engineer belongs?

Mr. Speaker, that person is also supposed to give reports, regular reports as to what he or she finds. So will those reports be made public?

There are two questions there, I am aware, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I am looking at section 4.9 of the federal loan guarantee there now, which looks at the independent engineer, and it indicates that the independent engineer will represent the guarantor and the lenders. So, obviously, the independent engineer will be appointed by the federal government, Mr. Speaker. Again, that is arm's length from us. It allows for a degree of oversight, Mr. Speaker.

In terms of the independent engineer, I do not know who it is. We are not even at sanction yet. First, when we get to sanction and the federal loan guarantee kicks in, Mr. Speaker, then the federal government will appoint an engineer, and I am assuming they will publicly disclose it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's North.

MR. KIRBY: Mr. Speaker, this government's wait list for paediatric assessment and diagnostic services are preventing pre-school children from getting the quality of child care they need. Early Childhood Educators cannot effectively respond to the needs of children when children are forced to wait a year or more to be assessed. This creates a stressful work environment for ECEs and negatively impacts the care they can provide for other children.

When will this government stop putting up roadblocks that harm the quality of child care?

MR. SPEAKER: The hon. the Minister of Child, Youth and Family Services.

SOME HON. MEMBERS: Hear, hear!

MS JOHNSON: Thank you, Mr. Speaker.

Mr. Speaker, child care is certainly top priority for this government and that is very evident through our 10-Year Child Care Strategy that we announced in the Budget last year.

Mr. Speaker, we are doubling our budget in child care over the next ten years to the tune of \$58 million. Child care spaces are going to increase by 70 per cent. It is going to be more affordable, and quality is going to be of utmost importance, Mr. Speaker. We have a great record to stand on when it comes to child care.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's North.

MR. KIRBY: Mr. Speaker, to make matters worse for preschool children with special needs, child care providers have to wait for six months or more to assess inclusion staffing support funding. The fact is children with special needs are being shuffled from one wait list to another.

When will this government stop denying their problems and help preschool children and their parents get the special supports they need?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Health and Community Services.

SOME HON. MEMBERS: Hear, hear!

MS SULLIVAN: Thank you, Mr. Speaker.

Mr. Speaker, for the benefit of those at home, I was certainly not laughing at the question but it is a little cold in here today. I was wrapped up and had to get unwrapped.

Mr. Speaker, I do want to respond to the question because it is a very serious question. Mr. Speaker, it is something that we are always concerned about in terms of development of children. That is why, Mr. Speaker, in the last few years we have invested significantly and we have seen a 20 per cent increase in the number of full-time physiotherapists here in the Province. We have seen a 30 per cent increase in the number of occupational therapists that we have put in place. We have seen a 29 per cent increase in the number of speech language pathology positions. We have seen a 14 per cent increase, Mr. Speaker, in the number of audiologists that we have provided here in the Province.

Mr. Speaker, we are very, very concerned about ensuring that we put in place the proper supports.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for The Straits – White Bay North.

MR. MITCHELMORE: Thank you, Mr. Speaker.

The future of our forest industry is uncertain. We have seen a closure of two paper mills and are cutting less than half the annual allowable cut. Community managed forests allow for commercial forestry, tourism, recreation, habitat protection, environmental education and research. Municipalities, forestry businesses, wood co-operatives, non-for-profits and community based groups can all manage the forest on leased Crown land.

Will the Minister of Environment and Conservation pilot a plan and designate Crown land for community forests?

MR. SPEAKER: The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

I am not quite sure what the member opposite is getting at, but the one thing I do agree with is that our forest industry is in crisis. It is not only in this Province, Mr. Speaker, we see it in Nova Scotia, we see it in Quebec, we see it in New Brunswick, and Ontario.

What this government is trying to do, Mr. Speaker, is work our way through it. We are working on continuing the work with Kruger and the union members, Mr. Speaker, in Corner Brook to try to come up with a solution to ensure that the mill is sustainable in the long term.

Last week, myself and the Minister of IBRD met with Mr. Ted Lewis of Roddickton. We had a further discussion with Mr. Lewis and there is no question there are enormous difficulties to overcome. Mr. Speaker, we know the industry is having difficulty and what we are trying to ensure, as best we can, is that we help people through this, and Corner Brook is a key part of it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for The Straits – White Bay North.

MR. MITCHELMORE: Mr. Speaker, Iceland has you can be a fisherman for a day or two cross-cultural experiences, including accommodations, cooking school, dinner, touring local fresh fish processing plants, with upgrades of joining a crew onboard their boat, and catching and cooking your own meal. Tourism-fishery synergies are opportunities, as tourists come for our culture and our heritage.

When will the Department of Tourism pilot such a program partnering with the Department of Fisheries to remove barriers limiting access to local fish product?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Tourism, Culture and Recreation.

SOME HON. MEMBERS: Hear, hear!

MR. FRENCH: Thank you, Mr. Speaker.

Based on the last two questions, I am not sure if there is an interest group out there he has not touched on, Mr. Speaker, but I will endeavour to answer his question.

This is a government who has partnered with industry out in the Province and who now has what we call a Tourism Board that is made up of industry, government officials, and stakeholders. We have a remarkable \$13 million marketing campaign throughout this Province. This is an industry we are developing. It is just about a \$900 million industry right now in this Province. We are doing everything we can. It is being driven by industry, Mr. Speaker, and our numbers continue to climb.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The time for Question Period has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

MR. SPEAKER: The Member for St. Barbe.

MR. BENNETT: Mr. Speaker, to the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned humbly sheweth:

WHEREAS with declining enrolment, distance education by Internet is now an accepted way to deliver educational services to students living in small communities; and

WHEREAS students have little to no say in where they or their families reside; and

WHEREAS many families do not have the ability to relocate so their children can access educational opportunities in larger centres; and

WHEREAS many small businesses rely on the Internet to conduct business; and

WHEREAS high-speed Internet permits a business to be more competitive than does slower dial-up service; and

WHEREAS no high-speed Internet service exists in the community of Bird Cove; and

WHEREAS there are no plans to offer high-speed Internet to residents of this community;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to partner with the private sector and offer high-speed Internet service to this community.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this is a community that has had its share of struggles, particularly since the downturn in the cod fishery when the community was 600 to 700 people and now it is less than 200. A year-and-a-half ago, they found themselves with a fire truck that was condemned and a fire department that was in disarray because they had no equipment to provide these services.

Yet, the community rallied. This community and five small communities in the area came together and they were in the process of using an old truck, a couple of pumps, and some hose in order to be able to just provide very, very basic fire service, to be able to pump, if necessary, from the ocean in case of a fire.

Mr. Speaker, they have pulled together. Now they have better fire equipment. They are working their way forward. Their community is slowly coming back, but one of the services they really need in this community is high-speed Internet and the residents of this community keep pressing for this service.

The service has just barely bypassed them. If the minister were to insist that the proponents supplying the service would actually back up by a kilometre or two, this small town could be served.

Thank you, Mr. Speaker.

MR. SPEAKER: The Member for St. John's East.

MR. MURPHY: Thank you, Mr. Speaker

I rise in this hon. House again today to present a petition on the pesticides.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS Tordon 101 contains the chemicals 2,4-D and Picloram; and

WHEREAS the chemical Picloram is a known cancer causing carcinogen; and

WHEREAS the provincial government has banned the cosmetic use of the pesticide 2,4-D; and

WHEREAS safer alternatives are available to the provincial government for brush clearance such as manual labour, alternative competitive seeding methods, and/or mechanical removal of brush; and

WHEREAS the provincial government is responsible for ensuring the safety and well-being of its citizens.

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to cease the use of chemicals covered under its own cosmetic ban and begin using safer methods of brush clearance that will not place the citizens in harms way.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this petition is coming from the people of the Long Harbour area as well as the Lark Harbour area over on the West Coast of the Province. There are a few names here and these people have put in some concerted

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thought when it comes to this issue. They want to get the message through to government about the harmful effects of using these banned chemicals, particularly on our roadsides, particularly when it comes to brush clearing and exactly what these chemicals can do to our water systems and ultimately on up the food chain to us.

We do know that the chemical known as Picloram is a known cancer-causing agent. It is quite harmful and hangs around in the environment for an abnormally long time, considered by some; it can stay in the environment for upwards of ten years.

Mr. Speaker, we do know as well that there are other ways of clearing roadside brush. I am pretty sure that the hon. members across the House will think about their own districts, particularly in rural Newfoundland and Labrador, that have an immense amount of brush growing up along the sides of the roads. I know some of the members are dealing with the problem of roadside brush that is growing particularly close to their roadside. Those are pretty important points, I think, to bring forward when you talk about that.

There are better ways, mechanical being one, of course. I have seen some costing that has been done with regard to how cheap it can be to get roadside brush cleared away from the sides of the roads. We know that the inherent safety factor that clearing of roadside brush can mean when it comes to giving drivers advance notice, particularly when it comes to moose and that sort of thing, and no doubt to highway workers in removing an obstacle as regards to having a place where they can actually get the snow thrown off the side of the road, rather than getting it hung up on the side of the road and taking up shoulder space. It is a bit of a hazard, too, when you are talking roadside brush in the summer.

Thank you, Mr. Speaker. I will present that and table that to the Clerk of the House.

MR. SPEAKER: The hon. the Member for St. John's North.

MR. KIRBY: Yes, Mr. Speaker, I have a point of order.

MR. SPEAKER: The hon. the Member for St. John's North on a point of order.

MR. KIRBY: Yes, thank you, Mr. Speaker.

Mr. Speaker, I know things get a bit heated here in the House of Assembly when we are all in here together, even on a cold day like today. I think we all have an obligation, Mr. Speaker, to show some degree of respect for one another in the House.

Indeed, Standing Order 49 says; "No Member shall...use offensive words against any Member of this House." While the Member for St. John's East was standing on his feet a moment ago giving his petition on behalf of those who had signed it, the Member for Mount Pearl North was yelling out: what a state.

I think that is pretty offensive and I think that is completely contradictory to Standing Order 49. Perhaps, Mr. Speaker, the simplest thing is for the member to stand on his feet and to apologize to the Member for St. John's East.

Thank you, Mr. Speaker.

MR. SPEAKER: Any further comments to the point of order?

The Speaker did not hear any comments made by other than the member who was recognized to stand in his place. I will undertake to review Hansard, to see if Hansard may have picked up a statement that I did not hear by anyone from the floor of the House.

I remind all of the members, obviously, there is a responsibility we all share to show respect for each other in the House of Assembly and acknowledge when the Chair has recognized someone to speak, they have the floor and they should be able to speak uninterrupted.

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I will undertake to review Hansard to see if Hansard has recorded any comments made by any member in the House that would be considered unparliamentary.

Order, please!

Private Members' Day

This being Wednesday, it is Private Member's Day, and I just want to make sure all members are aware of the correction. When we entered the House today, the Orders of the Day were on each of your desks. There was an error in its publication. We now have another one distributed.

Today, we are going to be debating the resolution put forward by the Member for Humber Valley. In fact, the first one did have a resolution by the Member for Humber Valley, but notice has already been given that the one to be debated – and I will bring members' attention to it to ensure we are indeed dealing with the correct one; I will bring your attention to the THEREFORE BE IT RESOLVED piece.

The one we are debating today goes on to say: "...that this House endorses the principle of independent electrical utility regulation..." "...for the establishment of electricity rates in the province to protect the interests of provincial ratepayers".

That is the one we are debating today and not the one that you may have seen a copy of earlier when you came into the House.

I now call upon the Member for Humber Valley to introduce his motion.

MR. BALL: Thank you, Mr. Speaker.

Thank you for the clarification on our Order Paper today.

First of all, I want to say that this resolution affirms the principle of the independent electricity rate regulation in the Province of Newfoundland and Labrador.

WHEREAS the electricity market of Newfoundland and Labrador is a monopoly where ratepayers have no choice in their preferred electricity supplier; and

WHEREAS robust, independent regulation assures ratepayers that they will have access to electrical power at the lowest possible cost consistent with reliable service; and

WHEREAS electricity is an essential commodity for domestic and commercial use and the oversight of the cost of its service is in the public interest;

THEREFORE BE IT RESOLVED that this House endorses the principle of independent electrical utility regulation for the establishment of electricity rates in the Province to protect the interests of the provincial ratepayers.

Mr. Speaker, this is a resolution and a motion that I am actually proud to read into the House today. We all know the history of regulation around electricity regulation goes back –

AN HON. MEMBER: (Inaudible).

MR. BALL: Sorry, Mr. Speaker; it is seconded by the Member for Burgeo – La Poile.

MR. SPEAKER: It has been moved and seconded.

The hon. the Member for Humber Valley.

MR. BALL: Thank you, Mr. Speaker.

As I said, we can be proud of the history we have surrounding electricity regulation. It goes back many, many years now, even back if you look at the twentieth century.

Primarily, most of the work around electricity regulation started in the United States. We can actually go back to the invention of the light bulb and the utilities that came after that. Primarily at that time, the regulation was more about – and we saw utilities that were formed to provide electricity services to smaller communities or to cities. People around that time realized that if there was a monopoly in this situation, there was no one there to make sure we had fair pricing without a competitor.

We all know, even as we fast-forward into today, we live in a non-competitive electricity market. We really do not have competitors in this market. Therefore, it is fair to say that a monopoly exists. When you get into any situation where you have a monopoly, we often find ourselves in situations where it is very difficult to put pricing in check. The consumers themselves feel really uncomfortable not having that ability to so-called shop around for proper competitive prices.

On top of that, in this particular case, the Public Utilities Board we have in our Province that was established just after 1949, their goal was not only to make sure that ratepayers had access to the cheapest price, but indeed, that it was a reliable service, too. The Public Utilities Board themselves, what they want to do is make sure that any investment by the utility into the provision of electrical services, the provision of electricity, or the sale of electricity, that they indeed have the opportunity to get a return on investment.

This return on investment, of course, what happens there is you give the utility the option to reinvest into the service. In this particular case, the utility then can be in a strong financial position. Many people over history will say that the utility itself, for people who are looking for areas to invest, has been really a consistent area to be.

Mr. Speaker, what we find now – this is the reason why we make this resolution; in order to protect the public interest and to protect the utility, it is important that we have a commission or we have a board like the Public Utilities Board involved.

Historically, what we have in our Province is that the Public Utilities Board have taken a number of different providers of electricity, they put that into a rate setting and it then would become what is known as the blended rate, which is what we have right now. All the electricity providers that we have across our Province, it all goes into a pool and the Public Utilities Board will determine a rate by that.

As the utility, as they need budgets approved, as they need to purchase equipment or to do line upgrades or utility upgrades, what happens is they appear in front of the utilities board. Those costs then, those budgets, are presented and the Public Utilities Board looks at what is in the best public interest. Then that budget is approved and the utility can go and reinvest in the provision of electricity.

In most cases, I think even from the utility themselves, they find the process one that has been well established. Given the fact that we are in the monopoly situation, the ratepayers themselves find the protection that is often necessary simply because we operate into a monopoly.

Over the years in our Province we have had discussions on what should be exempted from the Public Utilities Board. Over the last number of weeks we have been – and a lot of comments have been made about certain projects in our history that would have been excluded or exempted from the Public Utilities Board.

We all know that the development of the Lower Churchill Project back in the late 1990s, the plan there was to exempt that from the Public Utilities Board, the project itself, the reason being at that time, that particular project was being developed as an economic stimulator for economic development and had very little impact on the ratepayers of the Province. That was an export option.

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In this particular case, the Lower Churchill back at that time – as I said, the development was about export; it was about economic development and had very little impact on the residential or commercial ratepayers in the Province.

Even yesterday in this House it was mentioned about the Granite Canal project. This project too, being exempted back – I think it was back in 2002, this particular project was being exempted from the Public Utilities Board. What happened there, though, is that once the project started producing electricity then this electricity fed into the provincial grid. Of course, then we came into the blended rate, which we have become so familiar with.

The Granite Canal project would come in, just like we would see in my own town where we have a producer of electricity there, or in the Bay d'Espoir or the Upper – all those projects, they come together as one to produce a blended rate. The rate that comes from Granite Canal is part of the Public Utilities Board, and what they do, of course, on a regular basis in their review of rates for the people of the Province.

What has happened over the years, as people who live in this Province, as Newfoundlanders and Labradorians, we have been driven. A lot of it through emotion, a lot of it because we see the opportunity on the Lower Churchill right now to develop Muskrat Falls and, of course, Gull Island. A lot of this stems from the 1969 contract when we see what we believe to be an unevenly distributed financial interest in that project, and our Province right now not getting what we consider to be our fair share from this project. There is, indeed, and we all agree, a significant imbalance in that project.

We fast forward to where we find ourselves today with the Public Utilities Board and what we understand to be legislation that will come this way. We seen a piece of this legislation yesterday with Bill 53, where we will see the new development, the biggest expenditure in our history, the Muskrat Falls Project, where we will see this particular project and the electricity that is generated from that will be excluded from the Public Utilities Board.

This is an area of concern for us, Mr. Speaker, because this particular project will be designed through a power purchase agreement, which is mentioned in the federal loan guarantee, to establish a revenue stream that will offset the cost of the construction of this project. What we are doing here is we will put together a power purchase agreement which will essentially be for fifty years. We believe, and I personally believe, that this is a big commitment for us to make as a Province. We leave our ratepayers at significant exposure here when there is no way we can access the better opportunities that will come our way.

We also believe the philosophy around Muskrat Falls, the green energy, meeting demand of the Province, some export options, these are very well-positioned and highly principled statements to make. This particular project only works financially simply because the government is willing to put in a power purchase agreement that will put the ratepayers of this Province in the position for fifty years where they will have no say in the electricity rates that are generated from Muskrat Falls.

We even heard today in Question Period that the rate at the DG2 numbers was at 23.9 cents. What we do not know today is that after DG3 it seems to me, from the minister's statements, that we have the same amount of power, costs have gone up 25 per cent, and here we are with a claim that now the per kilowatt rate would actually go down. Mr. Speaker, Muskrat Falls will produce 824 megawatts, the price has gone up. So it concerns me when I hear the fact that we will see a decrease over just a few months ago at a DG2 position where the rate was higher in this case.

I believe, basically, on the analysis that we have done, that the rate from Muskrat Falls power is thirty cents. That is the rate that would actually feed into the blended rate. It is above thirty cents, in my opinion, and it is the rate that would feed into the overall blended rate for this particular situation.

The whole idea of the power purchase agreement is something that often gets referred to by a company in Ontario, which is the Bruce Power Agreement. In most utilities, we have been used to setting the rates based on a cost of service, but in this particular case, it is not the case. We have used the situation that we have seen, or an agreement that we have seen in Ontario, called the Bruce Power Agreement. Even with that one, that one is quite different, because what they have done with the Bruce Power Agreement is they have established a floor and

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they have established a ceiling. There are certain areas within that agreement that leaves mechanisms and it leaves room for negotiations based on various risks that you could share amongst the people who actually own the Bruce Power nuclear plants, and, in this particular case, the government in Ontario.

Our power purchase agreement, as we see it here today, or as we are anticipating it will look like, is much more restrictive and will commit the ratepayers of this Province for fifty years. In this particular case, Mr. Speaker, there will be a lot of opportunities, I believe, when you look back over the last fifty years, the changes we have seen in the electricity market, the new ways we have seen in conservation within natural gas, new appliances, and all of those things that we can actually see people will be very restricted in terms of their options in this particular case.

Mr. Speaker, it is our opinion that the power purchase agreement in this particular case on a project this government says is so good and with all the reports they actually use on a daily basis to point to making this particular project the best one available, if this project is so good it should be able to stand on its own two feet. Indeed, the electricity that is generated from Muskrat Falls should go into the Public Utilities Board like all other projects that produce electricity right now. We would use the same mechanism through the Public Utilities Board to generate rates for the people of our Province. We believe this is in the best interests of the people of the Province.

If the right people are not there on this board right now to do this job, government has in its authority to actually put the right people there. If they do not have confidence in the people on this board, they are in the position to make the necessary changes.

Mr. Speaker, it is the power purchase agreement, right now, as I said. We see this as similar to what would be a mortgage. We are actually limiting the people of our Province right now to fifty years. There are many opportunities I believe over the next fifty years will be available that will come our way. People in this Province would actually get the opportunity to have different prices and maybe even different projects.

Mr. Speaker, there has been a lot said, for instance, about the Energy Plan in 2007 and the number of opportunities that exist for us as ratepayers and people who live in this Province. There are significant opportunities. I do not think anybody in this House right now would actually believe that at some point over the next fifty years a commodity like natural gas is not something that could be used to produce energy for the people of this Province. As it lies right now, we will make this commitment to a fifty-year power purchase agreement and many of those opportunities will not be available to the people of this Province.

Mr. Speaker, we just have a few seconds. I will say that I will be speaking again on this as we close out debate on this. It is our position that the PUB indeed should be able to review the rates of all the options and all the projects we have available in the Province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Verge): The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

As an opening comment, there is no one going to disagree with the principle that people should pay the lowest rates possible. Newfoundland and Labrador Hydro, in fact, is mandated to ensure that the lowest-price power is provided to the people of this Province.

Mr. Speaker, that is one of the most significant reasons why we are doing Muskrat Falls, is to ensure that people obtain the lowest electricity rates possible. Again, I have said this on a number of occasions and I am not going

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to spend a majority of my time on this today. I just want to review briefly what has happened with electricity rates.

Between 2000 and 2011, Mr. Speaker, the average ratepayer on the Island or the ratepayer who burns approximately 1,500 kilowatt hours of energy saw an increase of 32 per cent or approximately \$45 per month over that time frame. That was between 2000 and 2011. People did not notice it as much, Mr. Speaker, because it was not on top of mind. Seniors would certainly notice it, Mr. Speaker, as reflected in their bills and others – single mothers and those with limited incomes.

Between 2011 and 2016, Mr. Speaker – and this has nothing to do with Muskrat Falls – we are going to see an additional 16 per cent increase or approximately \$30 per month over that time frame. What we have is a situation where rates have gone up and are continuing to go up, Mr. Speaker. It is primarily based on the price of oil and the amount of oil being burnt at Holyrood.

At present, Holyrood only operates at approximately 15 per cent to 25 per cent of the time. It has capacity to generate 486 to 490 megawatts of energy. Mr. Speaker, when you look at the fact that most of the Grand Falls energy, Stephenville energy, the mill energy will be incorporated into the system by 2014-2015, that means that Holyrood will have to be used more. Even used at, Mr. Speaker, 15 per cent to 25 per cent of the time and mostly when required at peak, we still pay 2011 fuel costs of \$135 million.

The price of oil, Mr. Speaker – certainly what is taking place in the United States is fascinating. The shale oil out of the Bakken project is having significant impact as America moves towards self-sufficiency. Everything we see indicated, Mr. Speaker, by all of the experts – and I just had an opportunity to look at the International Energy Association report which came out last week; I was at an oil conference the other day, Mr. Speaker. All indications are that the price of oil will stay in the long term around the \$100 mark.

Mr. Speaker, the reason for that is quite simple. We know that Saudi Arabia, which produces approximately 10 million to 12 million barrels a day – I could be wrong on that – out of the 90 million barrels a day that are burned, Saudi Arabia has a big part, or the OPEC countries have a big part, in setting the price. The price, Mr. Speaker, will be based on, to a great extent, what they need. So, with the social unrest in the Middle East countries, we are going to see more monies required. Then we have the ongoing issues in Iran and Iraq; then you take that, Mr. Speaker, you combine it with growth in China and growth in India, and there is no indication that the world will need less oil. The Americans will produce more oil, but the oil that they produce will simply compensate for the amount of oil required.

We know, Mr. Speaker, that the cost of producing a barrel of shale oil is from \$60 to \$75 a barrel, and we know that the oil sands require approximately \$75 a barrel to produce. Mr. Speaker, those have to be the prices for it to be economical. My point is that the price of oil, as Dr. Mark Schwartz of PIRA has indicated, in the next decade will stay around the \$100 range. That being the case, we know that the cost of running Holyrood will be very significant.

When you do the economic modelling, Muskrat Falls, Mr. Speaker, will show the electricity rates for the average ratepayer going up \$38 per month over a period of 2016 to 2030. Without Muskrat Falls, between 2016 and 2030, it will go up \$82 a month. The increase in rates will double without Muskrat Falls. We are certainly committed to the principle of lowest rates for the people of our Province and that is one of the primary issues that we are dealing with here, Mr. Speaker.

Mr. Speaker, we also have to recognize that when you have a regulator and the independent regulator is given certain powers, those powers are not absolute, even in today's climate. When I look at the Electrical Power Control Act, an act that was brought in, in 1994, and I look at section 5.1, it states that: Notwithstanding sections 3 and 4 of the Public Utilities Act, the Lieutenant-Governor in Council may direct the Public Utility Boards with respect to the policies and procedures to be implemented by the board.

So, government has an opportunity and can direct the board; in fact, this is what we were speaking about yesterday when we were talking about the Labrador industrial rates: we will have a situation where because

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Newfoundland and Labrador Hydro has to obtain a certain return on the investment, Mr. Speaker, in order to finance their – CF(L)Co to finance their Labrador transmission project, then there has to be a certain price. We do not want it going below that price because we need that asset in 2041; we need those assets to be in shape, and it is going to require hundreds of millions of dollars.

The generation component will not be regulated by the PUB and the price will be calculated annually by Newfoundland and Labrador Hydro, Mr. Speaker. It will be published on the Web site, I am assuming on the Hydro Web site, and the proposed rates will be reviewed annually.

Mr. Speaker, when it comes to the transmission rate, if new transmission lines are required in Labrador, the PUB will play a role.

We have a hybrid situation where on generation, the PUB will not be involved and where on transmission, they will be involved, Mr. Speaker. Again, that will be based on cost-to-service principles and those cost-to-service principles will be similar to those in place in the Island right now.

What we are doing, we are bringing in and we are suggesting in this piece of legislation that we can direct the PUB to do exactly what we need them to do.

Then, Mr. Speaker, when I look at section 5.2 of the Public Utilities Act, it gives the Lieutenant-Governor in Council, or Cabinet, government, the power to exempt a public utility from the application of all reports of the act.

Mr. Speaker, this has happened a number of times in the past. I have here with me right now two orders of exemption that the previous Liberal Government had proclaimed, one in 2000 and one in – excuse me, Mr. Speaker, they are dated November 30, 2000. One is in relation to Granite Canal, and the PUB was exempt from looking at any of the cost in terms of the environmental, economic, and engineering study for the generation and related facilities of Granite Canal.

The one that I want to talk a little bit more about today, Mr. Speaker, is that of the Lower Churchill, the Labrador Hydro Project Exemption Order. It specifically refers to the exemption from the generation-related facilities at Gull Island, Muskrat Falls, et cetera.

The Leader of the Opposition has said: well, that is a different project because it was only an export project, therefore the exemption made sense; but, Mr. Speaker, from commentators in the public – because I am not familiar; the details of this project have never been released fully and publicly, as outlined by Mr. Vic Young and his co-authors in the our place in Confederation report. That was one of the criticisms they had of the previous project, the Lower Churchill project: the details were not public, unlike what we have done with Muskrat Falls.

Mr. Speaker, the project, though – from commentators, from two board members of Newfoundland and Labrador Hydro at the time, who resigned as a result of the Lower Churchill project; whether it was through comments in the public, comments on blogs, or letters to the editor, it appeared that one of the reasons they resigned was because the Newfoundland and Labrador ratepayer, or taxpayer, would be responsible for any cost overruns.

So, it is not enough to say it was an export project. If there were cost overruns and the government was responsible, then it is the ratepayer who would have to pay those costs. So, Mr. Speaker, in essence, by excluding the PUB from looking at the capital costs of the project, they were excluding the PUB from looking at a potential effect on ratepayers.

So, Mr. Speaker, I would suggest to you that 5.1 and 5.2 of the act are practical examples of how governments have to operate in the public interest, have to have a latitude, especially when it comes to directing regulatory boards. So, the word, independent, Mr. Speaker, does not mean that they act without instruction from government in the circumstances outlined in the act. What independent means is that they make decisions without influence or without being affected by government. So, that is how we have to look at this.

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So when I look at this motion here today, we have said all along that electricity is an essential commodity, which it makes sense as to why Muskrat Falls will pay for itself, is that: people will pay electrical bills; there is 40 per cent that will be available – at a minimum – for Labrador mining and industrial projects, Mr. Speaker; have 20 per cent to go to Nova Scotia so that we will, at the end of the day, have a significant asset and have the ability to transfer energy if the markets are available. We know they are available on the spot markets.

It is an essential commodity, so the question for us as a government becomes: Do we take that \$6 billion that people are going to pay for oil, do we send that to these big multinational companies, or do we build an asset which will generate revenue forever? Once you build hydro – hydro is a significant capital outlay, but once the project is built, then the maintenance and operations are not as expensive, and water runs down the river, and we can produce hydro for a hundred years.

It is a tried and true method of producing electricity, and the Premier will tell you, and any of our ministers who have been meeting with their counterparts, is that most of the other provinces would love to have the Lower Churchill development, they would love to have a Muskrat Falls and a Gull Island, Mr. Speaker.

So, as I suggested yesterday, in terms of talking about the Labrador industrial rates policy, we are simply setting it up in a way that ensures that hydro recoups the money required so that they can continue to improve and build the assets required, and that the transmissions costs will be looked at.

THEREFORE BE IT RESOLVED that this House endorses the principle of independent electrical utility regulation for the establishment of electricity rates. Well, Mr. Speaker, at this time I would like to move an amendment, please –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. KENNEDY: Mr. Speaker, I move, seconded by the Minister of Justice, to move the following amendment: That the private member's resolution now before the House be amended by adding, after the word regulation, in the resolution clause, a comma and the words "where in compliance with federal and provincial laws,". That, Mr. Speaker, would be the amendment that I would request.

MR. SPEAKER: Order, please!

The hon. the Minister of Natural Resources has proposed an amendment to the resolution. The House will now take a brief recess to consider the amendment.

Recess

MR. SPEAKER: Order, please!

I have considered the amendment as put forward by the Minister of Natural Resources and consider that the amendment is in order.

The hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MR. KENNEDY: Thank you, Mr. Speaker.

What I have attempted to do with this amendment is to recognize the principle that is outlined by the Opposition, Mr. Speaker, in terms of the resolution itself and recognize, however, that even though there is the important role the regulatory board plays, the current Electrical Power Control Act, in sections 5.1 and 5.2, outlines situations where government or the Lieutenant-Governor in Council has to have the power to direct. I used the example yesterday of what we were talking about yesterday with the Labrador industrial policy, Mr. Speaker. Then with

the exemptions, I used the examples of the two orders which were granted in relation to Granite Canal and the Labrador hydro projects.

In essence, what I have tried to do with this amendment is balance that basic principle of lowest cost to the ratepayer, Mr. Speaker, balance the role of the regulatory board, but also recognize, as is recognized in the legislation that there are certain circumstances where the Lieutenant-Governor in Council has to be able to direct the Public Utilities Board and exempt certain projects from oversight.

Those would be my comments, Mr. Speaker.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I recognize the Member for Burgeo – La Poile.

MR. A. PARSONS: Thank you, Mr. Speaker.

It is an honour and a privilege to be able to stand here in this House today and to speak to this private member's resolution introduced by our Leader.

I am going to be a little more general in my comments today. I am going to start off by talking about the Public Utilities Board and some of the background to it, and just some of the things we have been hearing about the Public Utilities Board. It has been a topic that is in the news quite a bit in the last twelve months or so.

I guess we have to go back to the resolution that was entered, and it lays out what it is that we are trying to get a resolution for here today, Mr. Speaker. We are saying the electricity market in this Province is a monopoly. That is the first premise we are starting on, where the ratepayers in this Province do not have any choice in their preferred electricity supplier. We have to start off with that premise, that we as ratepayers here in Newfoundland and Labrador, we have no choice. We have to pay what that monopoly, or I guess the provider gives us.

Now, in order to have that, though, we need to have independent regulation which assures us as ratepayers that we will have access to power at the lowest possible cost consistent with reliable service. In exchange for that monopoly on this Province, there has to be an independent regulator. Somebody who can have that critical oversight to make sure that we, as the ratepayers in this Province, are getting charged a fair rate. We understand the principles behind that, the cost of service. There is a certain cost that comes with generating and providing this.

Again, the third premise we come at here, Mr. Speaker, is that obviously electricity is an essential commodity for domestic and commercial use. The oversight of the cost of service is in the public interest and, therefore, we would endorse the principle of independent electrical utility regulation to establish our rates in this Province.

What we are saying here, Mr. Speaker, is that we all know, the fact is that we are reliant on electricity. It is an essential commodity here in this Province, and not just for domestic uses in our house but we look at – we will use Labrador, when we have industrial customers there consuming large amounts of electricity, the fact is we need that independent regulator.

Now, I wanted to begin by talking about the Public Utilities Board itself, Mr. Speaker. I just had an opportunity, I looked around and there is plenty of information out there. You can go to the PUB's own Web site. I also had an opportunity to look at it. It was a very nice overview provided by Blake, Cassels & Graydon, which is an international law firm. Back in 2010 they did an overview of electricity regulation in Canada. They did a very nice job of going through each Province and looking at the jurisdiction over electricity and natural resources, how it is regulated, who regulates it, and the differences between each Province. It is nice to get an understanding of that.

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Our Public Utilities Board, Mr. Speaker, as we all know is an independent – which is of the utmost importance – quasi-judicial regulatory body which is appointed by the Lieutenant-Governor in Council. Essentially the PUB is appointed by our Cabinet. Our Cabinet appoints who is going to sit on the Public Utilities Board. It operates under the authority of the Public Utilities Act.

This board, as was mentioned previously by our leader and in various speeches in this House, was established just after Confederation. Right now there are four full-time board members. We have a chair and CEO, a vice-chair, and two commissioners. They also have a number of staff who work with them to do their job.

This is on the board's own Web site: "The Board is responsible for the regulation of the electric utilities in the province to ensure that the rates charged are just and reasonable, and that the service provided is safe and reliable." That is a very important mandate that they carry out, and they carry it out on behalf of all of us in this Province, the ratepayers.

They also cover off a number of other very important areas. In 2004 they were given the responsibility to ensure fairness in marketing of petroleum products. They also handle something that affects a great many of us in this Province; they are responsible for the supervision of rates charged by automobile insurers in this Province when it comes to coverage. They handle a number of different areas, a very important job. We cannot understate the importance of the Public Utilities Board.

Just looking at the Blake Cassels overview, it is very similar to what the PUB has on its own Web site. We always hear the terms independent, quasi-judicial regulatory agency, just and reasonable. There was one exception that was there previously, though: they do not oversee the regulatory overview of the major industrial consumers in Labrador. A lot of us, when we think about it, they cover off what we as domestic ratepayers in this Province pay to make sure we get those fair rates.

If you want to look at a background or history of electricity regulation in this Province, what we had was that in return for an exclusive market, the utility would have to accept that a regulator would serve as the surrogate for competition. In exchange for us having no choice but to go to them, they had to accept the fact that there has to be independent oversight on that. If not, you are going to have that unfortunate situation where we do not know if what we are getting charged is fair and we really have no say or no ability.

If the provider wants to increase their rates, they put the application into the board. The board looks at it, considers it, and then makes a decision. They take into account the notion of cost of service. They need to recover the costs to provide that service and what goes into it. Also, obviously, they are allowed to make a profit. There is an allowance for return on equity.

What I would say, Mr. Speaker, is we understand full well the importance of the Public Utilities Board and what they do for the people in this Province. The reason or importance of what we are discussing here today is that it is our understanding the PUB is going to be taken out of that position as it relates to rates charged to the ratepayers of this Province.

What I would like to do is just go back, though, to a little history of what has gone on in the last year here as we all talked about Muskrat Falls. It is something that nobody in this Province is unaware of at this point. There are a lot of people who might not understand the intricacies and the details of it, but it is a subject that is out there for everybody and has dominated the coverage.

If we go back to just before the last election in 2011, I believe it might have been in June or July, at that time the government said: we are going to send off Muskrat Falls to the PUB to have that independent review of Muskrat Falls to make sure it is the lowest-cost option. That was done prior to the election. That was done, there was an election, the government returns, and they say: We are going to hopefully get that report by December 2011.

What happened then, Mr. Speaker, is that the PUB came back and asked for an extension. The Board of Commissioners said: look, we need a new deadline. We need more time. They asked for an extension to March 31, 2012. At that time, there was a quote from the Minister of Natural Resources, and it says: It is important we

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give them that extra three months. We need them to complete their assessment of the two options. There has been a fair amount of work completed and this will allow them to fulfill the terms of reference. They were given that extension to March 31.

What happened then was, I believe – and if I am wrong I am sure somebody will correct me – what happened after that – it was just after Christmas, early in 2012 – the PUB came back and said: We need an extension on that. We need more time to get this work done. At that time, they were turned down. One of the reasons the extension was turned down was because government at that time wanted the debate to happen in the spring session of the House of Assembly. Our first session back last year after the election was when the debate was supposed to happen. We can look back at that now and say, well, obviously that did not happen. There was no debate in the spring session. We did not have the summer session that was supposed to happen and we ended up coming back in November. Again, it boiled down to a private member's resolution last week.

That was turned down and said: Look, you have to have this job done by March 31. That is the amount of time you are going to get and that is it. What happened then, I believe it was just before March 31 the PUB did come back with their report. I guess the problem there, what was unexpected, was that the report came back and it did not give government the answer that they wanted, obviously, or perhaps that they had anticipated. They came back and said: Essentially, we do not have enough information to make the decision.

There is a difference of interpretation depending on how you look at that. I know members on the government side would say: Well, we gave them lots of time and lots of money and they did not give us anything. I have a different interpretation of that. I think they came back and said: We need more information if we are going to make this important decision that affects all of the people in this Province. They did not have the amount of information that was necessary.

In fact, the board chairman, Mr. Wells, actually said that when he was dealing with this, he needed more public consultations. I think one of the quotes that he used was: torturous delays in getting information from Nalcor.

Mr. Speaker, it is very unfortunate. I think it would have been appropriate that they had more time, but we are passed that at this point. They came back, did not give government the report that they wanted, so government moved on and said: Well, that is it, we are taking it out of their hands; they are not going to have anything to do with it.

There have been more reports, comments, and discussions since that time. A lot of them at this point, the comments that are being used as it relates to the PUB: There is no confidence in the PUB; it is a waste of \$2 million; we are not going to put it back in their hands.

I guess the issue I have – just a couple of points. If the people who serve on the PUB, the four members who are referenced, they were all appointed by the government that is sitting. They were put there in that position. They were put there. It was all supported by members of government. So, the question then arises: If you put them there and now you are saying that you have no confidence in them, then why would you let them continue to do that?

The Premier has said in Question Period we are asking for them to be fired. No, that is not it at all. What we are saying is that you put them in there to do a job and you are not allowing them to do that job. You are not allowing them to perform the mandate that was placed on them. Again, that comes down to the assessment of whether they are competent or not. I think that is very unfortunate that it has come to that point. Again, as I have said before, what really happened was that government rigged the rules of the game and still never got the result that they wanted. They thought they were going to get the result back that yes, this is the low-cost option, yes, we should go ahead – but it did not happen. That is really unfortunate.

Now, the other point that I would bring up – and you have to look at this, just consider it all – the PUB was good enough to handle rates for decades. They are good enough to handle water management issues, they are good enough to handle intricate, delicate, and important matters, but they are not going to handle the rates from Muskrat Falls. So, one would have to question: Is that what we are resorting to now, that we are going to pick

and choose the duties that we place on this independent regulator? I think that unfortunate – I really think that unfortunate, Mr. Speaker.

I would conclude by saying – I only have a couple of minutes left here – that we are moving into a very, very important time.

AN HON. MEMBER: (Inaudible).

MR. A. PARSONS: I would say to the minister: I listened very carefully when you spoke. I listened very carefully when you spoke this week and last week, so hopefully the same courtesy comes across, but I guess I do not get the same courtesy, Mr. Speaker.

What I would say is that if the PUB cannot handle the rates from Muskrat Falls, then what is it that they are doing there? It is really unfortunate that we have come to this point. Again, one of the reasons that they were not able to give the government the decision that they wanted was that they were not given enough time. They could not live up to the deadline that was set by them. Again, this is a government that has not met their own deadlines in a number of different areas, so it is not really fair.

What I would say in conclusion – unfortunately I have only got a minute left to speak – is that we do have an amendment that was raised by the Minister of Natural Resources, and it is adding in the resolution section "where in compliance with federal and provincial laws".

The fact is that it is a very simple amendment, and it is my understanding that we are going to support that amendment, but it would be certainly unfortunate if the government has an about-face in the next week or two and changes that legislation. That would be a little bit cute, would it not, Mr. Speaker, that if they put in an amendment now saying in compliance with law and then change that law. So, again, I wait to see – that would be something I am sure the people of this Province would be very interested in seeing. That is going to be interesting to see if we get that legislation and get it changed there.

Mr. Speaker, I appreciate the opportunity to speak to this piece of legislation. I am sorry, I guess this a two-hour resolution here, the same amount of time today that we had last week to discuss Muskrat Falls. Again, as always, it is a pleasure to speak to this.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Minister of Advanced Education and Skills.

MS SHEA: Thank you, Mr. Speaker.

I would like to take some time this afternoon to take part in the private member's motion, to participate in this debate.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS SHEA: Mr. Speaker, this is a very important debate that we are having. It pertains to Muskrat Falls and it pertains to the direction that this Province is taking and where we need to go as we discuss our options to be able to provide electricity to the residents of Newfoundland and Labrador.

Mr. Speaker, the motion, as it has been laid down, was amended by the Minister of Natural Resources.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Minister of Advanced Education and Skills to continue.

MS SHEA: Thank you, Mr. Speaker.

Mr. Speaker, as I was saying, the motion that is put forward, the resolution has been amended, or a motion put forward to amend by the Minister of Natural Resources. The changes that were put forward by the Minister of Natural Resources –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The Speaker has recognized the hon. the Minister of Advanced Education and Skills, and I would ask all other members for their co-operation.

The hon. the Minister of Advanced Education and Skills.

MS SHEA: Thank you, Mr. Speaker.

As I was saying, The Minister of Natural Resources laid down an amendment that puts in the words "where in compliance with federal and provincial laws".

I understand from the Member for Burgeo – La Poile that the Opposition will be supporting this particular amendment. When you read it, Mr. Speaker, and you look at "where in compliance with federal and provincial laws", it would almost be unreal that they would say they do not support any type of amendment that would comply with the laws of the land whether provincial or federal. So I am certainly pleased to see support today for this.

Mr. Speaker, we also had some discussion during this debate about the role of the Public Utilities Board and the fact that they were unable to come to a decision when asked to look at the Muskrat Falls Project and see if it was the least-cost option for Newfoundland and Labrador. As has been indicated a number of times, it is quite unfortunate that after nine months and \$2 million they were unable to do it when the experts they hired – being Manitoba Hydro, as well the Consumer Advocate and the expert they hired, were able to come to that conclusion. Despite the fact that the Public Utilities Board was unable to come to any definitive answer for the Government of Newfoundland and Labrador, there has been subsequent reports and analysis done that give us the confidence as we move forward.

Mr. Speaker, I want to focus on some of the wording of the private member's motion that we are debating here today because I think it is really important. The second clause reads, "WHEREAS robust, independent regulation assures ratepayers that they will have access to electrical power at the lowest possible cost consistent with reliable service".

What is important in that clause, Mr. Speaker, is when we look at it and we see that it says: assures ratepayers they will have access to electrical power. That means that as the residents of Newfoundland and Labrador we will have access to electricity; which we need, Mr. Speaker.

It also indicates that it will be at the lowest possible cost. Again, Muskrat Falls in the analysis that we did, indicates that we have the lowest possible cost – I will go through some of that information – and consistent with reliable service. That means Muskrat Falls, and the development of Muskrat Falls must be reliable. It must be something that we can depend on. Of course, hydroelectricity and the developments that we have seen worldwide, and in particular in Newfoundland and Labrador, have shown us that hydroelectricity is reliable.

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You also go to the next clause and it says, "WHEREAS electricity is an essential commodity..." and it is, Mr. Speaker, it is something that we must address. We cannot turn a blind eye to this and ignore the situation and say it is a complicated decision we have to make here. It is a complicated issue, so therefore we will leave it for down the road or for another government or ten years time or in 2041. It is an essential commodity and it is something that we have to address today.

We also see in the resolution it says, "THEREFORE BE IT RESOLVED that this House endorses the principle of independent electrical utility regulation..." and with the amendment, we are in compliance with federal and provincial laws "...for the establishment of electricity rates in the province to protect the interests of provincial ratepayers." Of course, it is extremely important that we protect the interests of the provincial ratepayers.

When you look at that, you ask: Well, who are the provincial ratepayers? Mr. Speaker, it is us. It is everyone in Newfoundland and Labrador. We are the ratepayers of this commodity that will be served by Muskrat Falls. Any of the houses in this Province that are served by Muskrat Falls are the ratepayers who pay for this particular project.

The resolution shows that it implies the values shared by this government, that it is an essential commodity, that we have to ensure that there is electricity available and that it is at the least-cost option and it is reliable. These are the values that are implied in this particular private member's motion. Also, Mr. Speaker, they are the values of this government or any government. It is the responsibility of what we need to do as government. We need to take this seriously; we need to address these issues.

We must have electricity. We are not going to turn back the clocks of time in this Province and say to people we have decided that the decision of how we are going to provide electricity has become so complicated we are not going to do it, and want everyone to adjust their houses and adjust everything they are doing so you are no longer dependent on the electricity. Obviously that cannot happen, that is foolish. We have to move forward. We have to make sure that the people of this Province have access to reliable electricity.

Mr. Speaker, we talked about the demand and we had to demonstrate that we needed the electricity in Newfoundland and Labrador. When we looked at that, we said that at this time and projected into the future the electricity demands will grow. We are saying, well, you know, we have a declining population, our birth rate is not as high; why is it that the electricity demand may go up? There are a number of factors that go into that.

One thing certainly is the electronics and the electronics we use today. Where that is going to go in the future we have no idea. You talk about today, Mr. Speaker – and you look at students, for example, and I am not even talking about students who are in the higher income bracket. It is almost essential for anybody today; they are going around with iPads and iPods and iPhones or cellphones, laptops, BlackBerries.

This is something that twenty years ago we did not have. We did not even know what it was. I remember when I got a first BlackBerry; I did not even know if I wanted it. I did not know if it was something I would even use or how we would go about using it.

In 1990 – which only seems like yesterday, but I guess for some people it is quite a long time ago – I graduated with a masters degree. That was 1990, and at that time I had never used a computer in my life; did not know what it was, never used it for research, never had one. Somebody in the class actually had one and I often wondered what he would ever use that for – had no idea.

Things have changed and we can only imagine where they are going to go in the next twenty years as we establish the demand for electricity. We also know that we have more seniors and there are going to be more demands. There are going to be people who are retired who are at home who will be using electricity, whether it is through heating their homes or other things that we have not seen in other years. It is important that we make sure that demand that we have projected and that we have confirmed is available, the electricity is available when that demand is there.

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It was also incumbent, as we know in this Province, not just to determine the demand, but to make sure – and it is implied in this particular motion we are debating today – that it is the least-cost option for the ratepayers of Newfoundland and Labrador. We need to inform the people of this Province and we also need to assure the people of this Province that we did choose the least-cost option to be able to meet their electrical needs.

We had to look at the options. What were the options this government had to consider? Well, we looked at Gull Island, we looked at Muskrat Falls, we looked at further dependence on oil, we looked at wind energy, and we looked at natural gas, Mr. Speaker. They were the options we had and we had to make sure we studied them. Mr. Speaker, we had advocates from every particular type of electricity we could provide, people who wanted us to go one way or another way. Certainly a lot of them who put themselves out there as advocates or experts really wanted the way they felt was best.

In fairness, as the public debate ensued, we needed to make sure we looked at all the arguments put forward by the opponents of this project, study them, and then be able to assure we made the right decision. In saying that, Mr. Speaker, I for one, and I think almost everyone in this caucus, would have been okay with any one of the decisions if it met our demands, it was the least-cost option, and it was going to move this Province into the future. There was no foregone conclusion that it had to be Muskrat Falls. If natural gas was the answer or wind energy was the answer that is exactly where we would have gone with this, Mr. Speaker.

In order to validate and to ensure we were not just dismissing people, we looked at all the issues that were put forward. We started to release information, Mr. Speaker, from experts, whether it was from Manitoba Hydro, Ziff Energy, or any of the experts who studied it so it would look like we were able to provide the depth of analysis we needed to present. When we looked at all of that, Mr. Speaker, it became evident that Muskrat Falls was the best option for Newfoundland and Labrador, and therefore the option chosen by this government as we move forward.

One thing that is extremely important as we look at all of this is that the reports we released were thorough and well researched. Of all the criticisms we have heard of Muskrat Falls, we have never heard any of these reports being challenged by themselves, or the authors of the report or what they have written in these reports, because they were well done, Mr. Speaker. They have looked at all the options.

When we looked at some of the options like wind energy, there was quite an interest in that. Then when you set up your electrical system, the penetration of wind is anywhere from 10 per cent to the farthest it would be, 20 per cent, and it was not the least-cost option. People looked at that and thought from the environmental perspective that was probably the way to go.

Mr. Speaker, when you look at the environmental benefits, we will, in Newfoundland and Labrador, when we develop Muskrat Falls, have access to clean, renewable energy. This is a green project, Mr. Speaker. This is something that I think the young people of this Province would demand of this government when we are looking at our options that we also consider the environment and we look at the effects of the environment and we develop clean energy.

Mr. Speaker, when you develop a policy that focuses on clean, renewable energy people support that. People get it, people want it, and they demand it. Mr. Speaker, all governments in Canada and the federal government, and not just the parties in power but the Leader of the NDP federally, Thomas Mulcair, supports Muskrat Falls and clean energy, as did his predecessor Jack Layton. He felt that the Muskrat Falls Project was something that was of benefit to the people of Newfoundland and Labrador because it produced clean, renewable energy and it was a good project financially for this Province.

We probably have the only NDP in all of Canada that does not support clean energy and that would like to see Holyrood and the pollutants from Holyrood be maintained in Newfoundland and Labrador and be our way forward. Mr. Speaker, quite honestly, that is disgraceful I think.

Mr. Speaker, not only will we have clean energy from Muskrat Falls, there is also going to be indirect benefits. I had the opportunity to speak about the indirect benefits last week when I spoke as well about the jobs that are

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going to be provided and what it means for this Province. Mr. Speaker, many people will benefit from Muskrat Falls, not in perpetuity with the electricity and the renewable, clean energy but the people who will help build the project. Again, we have to be careful because the jobs and the indirect benefits are not a reason for developing Muskrat Falls, nor is it why we should develop Muskrat Falls. We need to look to the future and that is exactly what this Province is doing.

Mr. Speaker, the general principles that I think we had to lay out as a government was: Do we need this electricity? We have proven that we needed this electricity. Is it the least-cost option? Mr. Speaker, it is the least-cost option. We looked at all the options. We did not just give a superficial analysis; we had experts look at them. This government in making a decision needed the best information possible because we have to secure the future for Newfoundland and Labrador. The decisions that we make today, Mr. Speaker, will impact the generations for years and years to come.

I think we have met those principles, Mr. Speaker. We have the private member's motion as put forth by the Leader of the Opposition and now amended by the Minister of Natural Resources. I understand their support for this motion here in the House today. That is great because we need to make sure that we are on the same page with this motion as we move forward. It will comply with provincial and federal legislation; I do not think we can fight that, Mr. Speaker.

I think as a government what we were asked to do, what we are required to do for the ratepayers, for the people, the taxpayers of Newfoundland and Labrador, is to ensure this essential commodity and ensure that we deliver it in the least-cost way. That is exactly what this government is doing.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The Leader of the Third Party.

SOME HON. MEMBERS: Hear, hear!

MS MICHAEL: Thank you very much, Mr. Speaker.

I am delighted to get an opportunity this afternoon to speak to this private member's resolution that is before us in the House. The principles that are outlined in this resolution are extremely important. Probably one of the most important ones is the fact the electricity market in Newfoundland and Labrador is a monopoly where the people who pay for that power have no choice in choosing who their supplier is going to be. Wherever you find that, Mr. Speaker – you find it in other provinces as well – you find there is regulation in place to help protect the people of the Province.

With a monopoly, they are just held hostage. They have no choice. They have to have the electricity and they have to pay whatever the rate is. Without an outside regulator, they have no recourse. That is why this motion is so important, that this House endorses the principle of independent electrical utility regulation for the establishment of electricity rates in the Province to protect the interests of the provincial ratepayers. It is an extremely important motion and one that I am very pleased to support.

It is interesting that last week we had a private member's motion on the floor which was actually brought in by the Premier unilaterally without any consultation with the other leaders who were asked to give leave. At that time, we had a Premier using a private member's motion to bring forward one of the most important issues we have to deal with in the Province right now and with which this motion today is connected.

It is because of the Muskrat Falls Project that we are dealing with the issue of regulation. It is because of a bill that is in front of us in this House on the Order Paper right now, Bill 53, which exempts the Muskrat Falls

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Project from our Public Utilities Board. That is one of the reasons why we have this motion on the floor here today. That is why it is so important that we speak to this motion and speak to the issues this motion is speaking to.

Last week we spent just two hours talking about a project which is the biggest project this Province has ever faced – the most expensive and biggest we have ever faced. We gave such little time to that discussion, so it is good that we at least have another motion on the floor today under which we can speak to the issues that are involved.

The government keeps insisting that they consulted with the PUB. Even yesterday in the House – excuse me, last Wednesday, at the private member's motion that the Premier brought forward – in speaking to that motion, the Premier pointed out that the government put the project in front of the PUB and they brought in Manitoba Hydro International, their experts, the PUB's experts, to then look at the DG3 numbers.

I want to speak to that for a little bit, Mr. Speaker, because I think it is extremely important. The Premier and the Minister of Natural Resources keep saying that the PUB does not have what it takes to do the review of the final project that has been presented to the people of the Province. Yet this government deliberately asked the PUB for a decision prior to having all of the crucial information that was needed. They did not ask them for an interim opinion, apparently; they wanted a final decision from them.

That is the point that they keep refusing to acknowledge. They wanted a final decision at a time when we did not have the DG3 numbers. They wanted the final decision at the time when we did not even have the term sheet for the loan guarantee. Mr. Speaker, it is absolutely essential that point is made, because the PUB did not give an opinion because they were being asked for a final opinion and they said: we cannot give a final opinion.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS MICHAEL: It is important to note that the MHI report, at that point in time, the report they did for the PUB pointed out a number of weaknesses and pointed to a number of questions. It is very interesting that government recognized MHI's ability to analyze. They went back to MHI and said: we want you now to look at the DG3 numbers and we want you to give us your opinion. So the experts, who had a lot of negative things to say – negative things in a sense that they were pointing to how the project needed to proceed and how it needed to be better – the government would go back to the MHI, but they would not go back to the PUB who had hired the MHI originally for that report.

None of it makes sense, Mr. Speaker, and it needs to be pointed out.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS MICHAEL: Thank you, Mr. Speaker, I appreciate that.

It needs to be pointed out that this government deliberately set the PUB up and then sits back and blames them. People need to understand that, and you know what, Mr. Speaker? People do understand it. There was a poll done that we have all talked about – it has been talked about in the media, it has been talked about in the House – a poll that showed that 69 per cent of people wanted the final project – and still do – to go back to the PUB.

It is really important that we look at the importance of an external regulator. It is extremely important that we look at the importance of having regulation for the establishment of electricity rates and that no utility – whether it is a Crown corporation or not – should be able to regulate itself when it comes to rates. That is not acceptable and it is not practice. You go around this country, it is not practice. Having an external independent regulator is

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essential to our system, especially when we are in the situation we are here in this Province, when people have absolutely no choice about the server they get their electricity from.

Mr. Speaker, back in 1992 there was a government in this House under the former Premier Clyde Wells, a government who had a bright idea that it was going to start dealing with issues and start restructuring, doing economic restructuring; it included the privatization of Newfoundland and Labrador Hydro. For a good couple of years this discussion went on, and the more the discussion went on, the more people in the Province really got upset over the notion of Newfoundland and Labrador Hydro being privatized.

Where did they turn, Mr. Speaker? Who was it that dealt with this issue? It was the Public Utilities Board. The Public Utilities Board held hearings; people could go, they could speak, and they could be heard with regard to the whole issue of the privatization of Newfoundland and Labrador Hydro.

Of course, what happened, Mr. Speaker, was that because of that, the brakes were put on, and lo and behold, Newfoundland and Labrador Hydro remained a Crown corporation. It was not because of the government of the day that happened; the government wanted to privatize. It was because of the role of the external regulator. It was because of the role of the Public Utilities Board that was there for the people and the people could have recourse to. That is something that we have to remember.

Imagine – I would like to know what this government would be saying today, Mr. Speaker, if Newfoundland and Labrador Hydro no longer existed as a Crown corporation. I also wonder if Newfoundland and Labrador Hydro, as a private corporation, would be doing Muskrat Falls without having the money of the government behind them, because that is why they are able to do it; they knock on the door and ask for, you know, a few hundred million anytime they want, and it is there for them – this year: \$664 million in the Budget. We know that this project cannot go ahead without that money. We know that that cash is essential to the loan guarantee. So where would they be if Newfoundland and Labrador Hydro, in actual fact, had been privatized? They would not be doing what they are doing today.

It is wrong for us to be using a Crown corporation to do what we are doing today, as well, Mr. Speaker, because it could end up being an abuse of the people of this Province by abusing their trust and by misusing the money of the people in this Province, Mr. Speaker.

I would like to use an example to really get at this issue of the importance of a Public Utility Board, Mr. Speaker, that speaks directly to the motion. It comes from the experience in Manitoba, the experience of Manitoba Hydro and the process for the building of the Wuskwatim hydro project in Manitoba.

In 2008, Manitoba Hydro ran into deep problems with the building of this dam, Mr. Speaker. They were building a hydro generating station in northern Manitoba, and Manitoba Hydro – whom we trust; Manitoba Hydro International is an arm of that, that this government trusted – really thought they knew what they were talking about. In spite of redoing their estimates in 2008, they found out that their project was going to cost nearly 60 per cent more than originally thought.

Now, I am not going to say that whatever the causes for their overruns are going to be the same reasons for the overruns here in this Province – because there are going to be overruns here, and they are going to be more than 12 per cent that has been allowed for in the \$7.4 billion that the DG3 numbers indicate. We know that. Anybody who has any knowledge in the field knows the overruns are going to be more than that.

This company, Manitoba Hydro, ran into deep trouble, and their answer to dealing with it was going to be putting a hike of 2.9 per cent in the electrical rate from 2008 right through to 2017. Now, Mr. Speaker, they had to go in front of the Public Utilities Board of Manitoba. The Public Utilities Board of Manitoba said: oh, no, no, that is not what you are going to get. They did give a hike in the rate, but they monitored very closely. They gave one for that year for 4 per cent, they gave one for the next year, and then they monitored.

A few years later, Manitoba Hydro ran into more difficulty. It is really important to note that in a press release in 2009, a press release from the Manitoba utilities board said that they needed to get a balance between the needs

of hydro to improve its fiscal position with the reality of the worldwide recession and the impact on consumers and industry.

They showed that is what a PUB does. A PUB looks at the whole picture; it looks at the needs of the corporation, the service provider. It looks at the needs of the people, it looks at what is happening in the whole industry, and it makes a decision in that whole picture, Mr. Speaker. What happened there underscores the role of a public utility in the development of projects, both during the development as well as when you get to the end of the development.

We are now in a Province where we have a government that is going to allow the service provider to set its own rules, to regulate itself. There will be no protection for the people of this Province, Mr. Speaker.

I only have a short time left so I want to speak to the amendment that government has made, which I consider to be a very disingenuous amendment. Mr. Speaker, to add after the word regulation, "where in compliance with federal and provincial laws", assumes that those laws support the principle of independent electrical utility regulation.

We do not know what particular laws they are speaking about in this amendment. Are they talking about the present, the future? Which acts? What are they talking about? Because, Mr. Speaker, of the open-endedness of this amendment, because those laws could either now or later not support the principle of independent electrical utility regulation, I think this amendment takes away what this motion is all about.

Mr. Speaker, we will not be able to support this amendment. We believe in the motion as it stands. This amendment we think by the government is just a ruse.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. the Minister of Tourism, Culture and Recreation.

SOME HON. MEMBERS: Hear, hear!

MR. FRENCH: Thank you, Mr. Speaker.

It is certainly good today to get up and stand to the motion. This motion today is all about electricity market, ratepayers, and electricity supplier. I always hear from the other side of the House that we have not had any time to talk about Muskrat Falls. I find that hilarious. I am sure most of the living audience out there actually find it hilarious. Every day I can remember while I have been here— and I have not missed a day for illness, knock on wood, or anything — we have talked about Muskrat Falls.

The Leader of the Third Party just got up and spoke for some time. She talked all about Muskrat Falls. Mr. Speaker, to say the debate on Muskrat Falls was a simple two-hour debate when we have had thirty minutes of Question Period every day that we have been here, for about four weeks now. You can rack that up easily to three or four hours of questions on Muskrat Falls. Three of the last four Private Members' Days we have talked about Muskrat Falls.

The member herself just said the motion here is connected to Muskrat Falls. She also referenced the fact we are going to be talking about Bill 53, which is on the Order Paper, about Muskrat Falls. We had two hours last week on the project of Muskrat Falls. To say we have had little time to ask questions and talk about Muskrat Falls is a bit foolish. It is certainly hard for me to imagine why we talk about that.

I cannot help but reference a number of things the Leader of the Third Party said. I have to get into it and I have a number of notes here. I have to reference it initially. Mr. Speaker, she talks about the PUB. The PUB had \$2

million and nine months to make a decision. The expert they hired to help make their decision was Manitoba Hydro International. MHI was who the PUB went out and hired. The PUB are not the experts, Mr. Speaker. They went out and hired the experts, Manitoba Hydro International, MHI..

Now, she wants it referenced back to the PUB to deal with the experts she just tore down, Manitoba Hydro. They are not fit, Mr. Speaker. They have done everything wrong in the history of the company, yet she wants it referred to the PUB so the PUB can get Manitoba Hydro as their experts. There is something missing in that rationale.

I find it hard to imagine, Mr. Speaker, when we tear down our own experts. We have experts in this Province called Nalcor who have been in this business for decades. They are good at it. They come from all over the world to ask for their advice as experts.

MS JONES: (Inaudible).

MR. FRENCH: I say to the Opposition House Leader: Hang on, Mr. Speaker. I have a nice quote there from her, too, that later on I will get to. I ask her to just keep her cool. Cool her, daddy – cool her. I will be right with her, Mr. Speaker. I am coming to her.

Mr. Speaker, I just want to say that we have our own experts in Nalcor. We have used Manitoba Hydro. We have Ziff Energy. We have economists, Mr. Speaker. I have a list here. I have some very important names that the hon. member – I was going to leave her alone until later, but she has me interested now. The Opposition House Leader should think about some of the important people in Labrador who support this. There are some very, very important people – a lot of the residents of Labrador supports this; some key business people in Labrador support this. People like Sterling Peyton, Mr. Speaker.

AN HON. MEMBER: (Inaudible).

MR. FRENCH: I am getting to him.

Sterling Peyton, a businessman in Labrador, runs the Chamber. Bob Weir, another businessman in Labrador, a big promoter of this project. A man by the name of Peter Woodward, a big supporter of this project. I am not sure what their political stripe is, but I have not seen them at too many PC conventions I can tell you that. I can rest assured of that, but I know that is just three business people from Labrador who are big, huge promoters of this project – huge promoters of this project.

Mr. Speaker, I was going to hold back on the jabbering next door. She really gets upset. I am picking on her a little bit, and she really gets uptight. She is not going to get up and say her piece today, Mr. Speaker. She is going to sit out today's debate. She must be taking a spell, I suppose. She is not going to get on her feet. She always challenges members over here to get on your feet and have a few words. So I am saying to her: Get up today and have a few words, but no, I would say she will not get up today, is my guess. My guess is that she will not get up today. That is what I would say.

Anyway, Mr. Speaker, I want to quote now, because history is important. I heard it a long time ago, first when I was in here in Opposition, the Government House Leader of the day said: The biggest problem with the House of Assembly is Hansard. The reason they say Hansard is because it records what everybody says, you see, Mr. Speaker. What you say in the House could come back to haunt you. So, you always have to be careful –and I have to say, the Opposition House Leader is very eloquent when she gets and speaks, but sometimes she forgets what she said in the past. I am here today to remind here what she had to say in the past.

This goes back, and she was talking about the Energy Plan, Mr. Speaker, throughout it she is talking about the Energy Plan in Question Period and about replacement, challenging our Premier about replacement of the Lower Churchill. She was intent that Lower Churchill power had to replace Holyrood, Mr. Speaker. She knows personally about Holyrood because we have talked about Holyrood. She knows the crap that has come out of

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Holyrood over the years. She has friends in the area, Mr. Speaker, who have told her about the crap that has come out of that Holyrood plant.

She asked the question of the day, Mr. Speaker. She asked the Premier: What is the plan for Holyrood? Are you going to live up to the comments you made in the Energy Plan, which was to shut it down? The Energy Plan, and the Premier's comments, we were going to shut it down, Mr. Speaker. That was June 1, 2010.

Mr. Speaker, this is the question she asked, so now I am going to respond. The answer to that question was, in terms of commitments that we have made to the people of the Province, including the people who live in the area of Holyrood generating facility, which includes the people of Seal Cove – which she knows quite well – which includes the people of CBS, which includes the people of Avondale, which includes the people of Harbour Main, which includes the people of Port de Grave, all of who have seen the big puffs of smoke. The people on Bell Island, as well, Mr. Speaker, have seen the big puffs of smoke blowing ash everywhere. I have been up and seen it on kid's bikes and on people's backyards and on top of people's barbeques and so on.

Mr. Speaker, we will live up to our commitment, is what the Premier said. Mr. Speaker, that is exactly what we are doing today, we are shutting down that plant in Holyrood. That is our goal, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. FRENCH: Mr. Speaker, it is important that she does not forget the words she said and how important it is to shut that down. As well as what it will do – I am not even going to get into what it will do for Labrador when it comes to employment, Mr. Speaker, and for production of Labrador mines. I say, Mr. Speaker, it is once –

AN HON. MEMBER: (Inaudible) who live there, mom's family (inaudible).

MR. FRENCH: I could name off a number of people who she knows up there, Mr. Speaker, but I certainly will not.

Mr. Speaker, it is good to stand here today and talk about this bill, and some of the things that I think are noteworthy. I want to point out a few projects that happened over the years.

Hydro built the following hydro and thermal generation projects in this Province. In 1967, Bay d'Espoir was built at 607 megawatts; in 1969, Holyrood, 490 megawatts; in 1980, Roddickton at 0.4 megawatts; in 1980, Hinds Lake, 75 megawatts; in 1983, the Upper Salmon with 84 megawatts; in 1985, Cat Arm, 127 megawatts; 1989, Paradise River, 8 megawatts; in 2003, the Granite Canal with 41 megawatts.

Mr. Speaker, do you know what was unique about all of them? Do you know what the point was with all of those? All of those places were built; there were different public opinions at the time. Mr. Speaker, there is one key element to this. The PUB never regulated Hydro when they did any of those projects. The capital cost of those projects, Mr. Speaker, never went through the PUB.

As a matter of fact, Mr. Speaker, in the most recent one, the regulations changed in 1996. The Opposition were in government at the time. They were in power at the time, but something unique happened. In 2003, the Granite Canal would have had to have been reviewed by the PUB, but the Opposition of the day removed it. They made an exemption. Now they are here, Mr. Speaker, and the Opposition House Leader is speaking out of the other side of her mouth. That is the reality of this here now.

Mr. Speaker, it is important that we remember what previous governments did. When they throw out some of this stuff that they are throwing out today they should recall some of their positions, some of the places and some of the things they stood for, but I have to give them credit. I have to give them a little bit of credit. At least most of the time what they stand for, they put a dollar figure with it, Mr. Speaker. We know where they are coming from because of the financial piece. We might not agree with them, no, we do not agree with them most of the time. I do not agree with them, very little of the time, Mr. Speaker, but the Third Party way down at the other end, they do not put a dollar figure on anything.

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Mr. Speaker, to keep up with their demands, the things they want, you need a big computer, first of all, then you need a great, big calculator, about that big and about that wide to keep track of it. Then you need one of those big scribblers. Do you remember those big scribblers with the wires in them, Mr. Speaker? I think it was 100 pages in it. On top of that, Mr. Speaker, you need abacus just to keep track of the big calculator and everything else that you have to go with it.

The hon. crowd down at the end, Mr. Speaker, they are something to behold. I could not wait, Mr. Speaker. Over the last number of days here in the House it has been unreal.

We had a member stand up talking about offshore, clean energy. We had a member of the Third Party stand up, Mr. Speaker, and right or wrong, we have to get rid of the oil rigs because there are too much greenhouse gases they are throwing out. We have to get rid of all of that. Shut that down.

Last week alone, they have asked for billions. No wonder a fellow would have a big calculator to keep track of it, Mr. Speaker. They have asked for billions of dollars in requests. Yet at the same time they voted against – they were right for clean energy last week. They wanted to shut down the oil rigs, Mr. Speaker, and take all of the people out of work. However, they voted against shutting down Holyrood. Holyrood was best kind. That can throw out what it is like.

The funny part about this, Mr. Speaker, in Holyrood I remember not that long ago the Leader of the Third Party was up there with oranges and cans of Orange Crush. There were two or three fellows up there juggling. It had to be all shut down – shut her all down. There were jugglers going around and a real circus kind of atmosphere.

No, Mr. Speaker, they voted against that now. They are all right with Holyrood now. That is the best kind up there now. They forgot, Mr. Speaker. A little short while ago, they forgot all about that – they forgot all about it. It is amazing, Mr. Speaker. It is totally amazing.

Now, Mr. Speaker, I am going to clue up with a little quote. We will go back to Hansard again, because that is my favourite thing. I love to go back to the old government, Mr. Speaker, and take a bit of advice. I always go back to Hansard. This is what was said on December 16, 2009, and it was on the Holyrood Generating Station. Here is what was said: "...we should be more proactive with regard to getting rid completely of the Holyrood Generating Station."

AN HON. MEMBER: Who said that?

MR. FRENCH: Mr. Speaker, you would hardly believe who said that. That was only said by the Leader of the Third Party, the same person who had the jugglers up there.

SOME HON. MEMBERS: Hear, hear!

MR. FRENCH: They had the media up there. There were cans of orange drink, Mr. Speaker. It was peace, love, and happiness for everyone. Shut it all down. Save us all. The people of CBS – we danced in our beds, Mr. Speaker, for weeks. We could not wait for the NDP to take control and shut her down.

Now, Mr. Speaker, what do we see? We see the Opposition House Leader and we see the Leader of the Third Party, who both clung in together arm in arm to shut down Holyrood. We committed to it, Mr. Speaker. This crowd committed to it and this government is going to keep our commitment despite what that crowd says, Mr. Speaker.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Wiseman): Order, please!

SOME HON. MEMBERS: Hear, hear!

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MR. SPEAKER: Order, please!

The hon. the Member for Humber Valley and Leader of the Official Opposition.

MR. BALL: Mr. Speaker, there is no question: this being the first year in the House of Assembly, it is good to be back. On Wednesday afternoons, not only do we learn a lot in this House and not only do the listeners at home get a chance to see what we do, but there is a price to paid for entertainment, too, on some Wednesday afternoons and, Mr. Speaker, there is no question that we just heard about fifteen minutes of entertainment.

Now I cannot say we learned a whole lot from that, I say. There are a few things that I would like to argue simply because – number one, the member opposite mentioned something that was very clear, and it has been discussed a lot in the last few weeks in the House of Assembly about the Muskrat Falls debate, even though today we are talking more about the PUB and the role that it would play in rate setting.

I have to bring up one thing, and that is what the member opposite talked about: Labrador mining. Of course, we have heard a lot about Muskrat Falls and how that would help develop Labrador mining and the role that it would play in economic development in Labrador.

What the member opposite did not say was – yes, we can probably generate the power at Muskrat Falls, but what would happen then? We have a major problem, Mr Speaker; even though the power would be generated at Muskrat Falls, we have no way of getting it to the Labrador mines. There is no way to actually stimulate those economic benefits that we talked about, for over two years now, about Muskrat Falls. Indeed, Mr. Speaker, the power at Muskrat Falls is actually stranded there and there is no way to get it to LabWest. What this project does not do is put in the transmission lines that are required to stimulate the economy in LabWest like the member talks about.

It is fine to say that mining in Labrador needs this power. It is one thing to say it; the other thing is putting the actions in place to get that power there, and this particular project, as we know, does not do that. It actually leaves the power stranded there as it is, because the transmission capacity is just not there to get this power there.

Mr. Speaker, the other thing that the member opposite just mentioned, he gave a very exhaustive list; we talked a lot about exhaustive lists and non-exhaustive lists and where it plays into the federal loan guarantee. One of the things that he did mention was about all the projects that have been done in this Province for the last thirty, forty years, and he gave off the list.

There was one thing, though, that I would say all those projects have in common. Mr. Speaker, I think everybody opposite will know exactly what I am going to say. The projects that were mentioned – like Bay d'Espoir, like Upper Salmon, and all the other projects that were outlined – one thing that they do have in common that Muskrat Falls will not have is the fact that those projects: they do what? The rates and the electricity that is generated by those projects are all regulated by the PUB.

Now, Mr. Speaker, before I get too far into my response I will say the amendment that was put forward by the Minister of Natural Resources is an amendment that we will actually support.

I think as members of the Official Opposition, it was never our intention that we would put a resolution forward that would not be able to comply with provincial and federal laws. For us, that kind of goes without saying, that we would want anything that we do in this House, anything that we would do as a ratepayer, anything that we would do as a citizen of this Province, that we would comply with legislation.

Mr. Speaker, we would think that anything that we do here with this resolution would indeed comply with provincial and federal laws. Now, with that said, that is the laws that we know of today. There is no way, I would think, members opposite would be in a position where they would want to change those laws any time soon. Because the projects we are talking about, I think these things are very important, that we operate and expect that the laws will be in place for a long time.

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So, given the fact that they are bringing this forward as an amendment to this particular PMR, I would not expect that the government opposite would think about changing the laws any time soon. So, Mr. Speaker, that is where we are with the amendment. We will be supporting this amendment.

Mr. Speaker, I think by some of the comments that were made opposite, they spoke a lot about any hydro development being a tried and true development, and that it could actually last for 100 years. It would generate revenue and, of course, electricity for many years. All of this, of course, would be to the benefit of the people of the Province. It would be to the benefit of the ratepayers of the Province.

There is no way, when you look at a utility or an electricity generating plant being so tried and true and with such a good history, there is no way, I would imagine, that you would expect that this project could not stand on its own; therefore, like all the other projects that we have on the Island, there is no reason at all that we would not want to put the cost of the electricity that is generated from this to go to the PUB for a review, simply because we want to protect our ratepayers and protect the utility so that the reinvestment keeps the utility in a good position to continue on into the future.

Now, Mr. Speaker, what is different about this in terms of Muskrat Falls, as I said earlier, is the power purchase agreement. Of course, this being fifty years, and fifty years is a long time. When you think about it, if you went today looking for a mortgage, there is no way you are going to get a fifty-year mortgage. As a matter of fact, if you went to any of our institutions looking for money, there is no way you could ever get a loan, in today's environment, for fifty years. As a matter of fact, it is quite different than that.

I think if you went today, and I can remember an example that I had just a few years ago. If you went with – I know in my own particular case we had the backing of CMHC. We had strong equity. Mr. Speaker, when we went looking for financing on the particular project, guess what? The best we could do with any fixed rate, the best we could do with any commitment was a ten-year commitment. That came from a chartered bank. As a matter of fact, Mr. Speaker, five years is usually where most banks would give you a fixed rate on now.

What we are asking here is that we are asking the ratepayers in this Province, based on the Muskrat Falls Project, to accept a fifty-year mortgage with a fixed rate. Mr. Speaker, that is a long time. There are many things that will change over the course of those fifty years I think where ratepayers will have opportunities to explore other ways to get less expensive power.

Mr. Speaker, as you know, I have asked a lot of questions about the cost of power for Muskrat Falls as it would be delivered to Soldiers Pond. As a matter of fact, I even asked it in the House today. Back at the DG2 sanction time we were given the number at 23.9 cents. As a matter of fact, for those members opposite who want to see that verified, if they went into the Public Utilities Board site they would see that there was a question there. Nalcor refers the question, to question 27 revision 1. That question is answered with – there is a long chart there. Basically, what it establishes is the price of Muskrat Falls power being at 23.9 cents per kilowatt.

When asked the question today, the response came back saying that per kilowatt hour, power would be somewhat less than that. The reason I asked the question is very simple, is that we have 824 megawatts of power that is going to be available to us from Muskrat Falls. The Decision Gate 2 was at \$5 billion, that being for the generating dam, the transmission line that connects to Churchill Falls, and the Labrador to Island link. It was a \$5 billion project without the federal loan guarantee.

As we fast-forward to Decision Gate 3, the numbers came in with the federal loan guarantee in place. When you compare, as we have been told by Nalcor and others, apples to apples, it would be \$6.2 billion. The project is not generating any more power. The project is still generating 824 megawatts of power. The updated cost at DG3 is \$6.2 billion, and now we are led to believe that the cost to get that power to Soldiers Pond is now less.

I think we have a lot of people opposite, and I know over the last few weeks we have seen from time to time a huge calculator that pops up from the other side. I think if you just punch in the numbers, it is very simple – just punch in the numbers. If you take a \$5 billion project, and you take 824 megawatts, and you fast forward a few months; and you take the same project, the same amount of power at 824 megawatts of power, and you put in

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\$6.2 billion, it is going to be very difficult to see how that price should come in cheaper. Mr. Speaker, it is very difficult to understand why the cost of power to Soldiers Pond would be cheaper.

I do understand the concept of the blended rates. I do. It is very simple, but when you look at trying to identify the cost of that power to Soldiers Pond per kilowatt, it is very obvious that if the cost of the project is higher, you are only delivering the same power, the cost of service must be higher. That is the way this project works. It is very simple math calculation in my estimation, Mr. Speaker.

Mr. Speaker, I have a few minutes left. I also want to talk about what this PPA, this power purchase agreement, does as it relates to a cost of service, which is the concept that we are more accustomed to with the current PUB, the way it regulates electricity rates.

In actual fact, what would happen is the PUB would take a project, in this particular case, like Muskrat Falls, and if the consumer, the ratepayers of the Province, are going to use 40 per cent of the project, well, they would look at the cost of the project and they would determine, based on the customer, based on the ratepayer: how much of that project are you going to use? In this particular case here, we know that we will make a commitment to the ratepayers, the domestic, the residential and the commercial ratepayers on the Island. They are going to use around 40 per cent of the power.

If we remember, it was 40 per cent for the Island residential and commercial rates. It was 20 per cent to Emera and it was 40 per cent for either export options or some other use.

Mr. Speaker, the ratepayers of this Province are going to do what? It is anticipated by this project that they are going to pay for all of it. What the PUB would normally do in a situation like this, they would take the project, they would break it down and when they do their calculation they would calculate about 40 per cent of the project cost would go to affect the rates in this Province. The other 60 per cent, the revenue would have to be generated; if the project was as good as it is said to be, well, then, that would stand on its own. The ratepayers of this Province would pay for what they use.

In this particular case, with the power purchase agreement, the ratepayer is going to pay 100 per cent of the cost. This is an area where the PUB would have some input and would protect the ratepayers of the Province from this.

It is no good to say that you can actually set the rate because the next price is a more expensive option. That is like going into any retail outlet, you walk up to the checkout, you look at the price tag on something and someone says, well, it is \$4.99; you go to the checkout and the cashier looks at you and says: no, this is \$6.99 because the person next door, they are selling it for \$6.99. It is not the case.

That is not what it is meant to be for ratepayers. When we use the power, we should be expected to pay our fair share. I do not think any ratepayer in this Province, based on the reliability of electricity – which is something that we all want and it is something that we expect to have in our future, but we expect to pay our fair share. In this particular case, we are going to have 60 per cent of the power that we use for other means and the ratepayer really will get no benefit of that on their electricity rates. Mr. Speaker, this is one of the areas that I see, with this whole concept as a ratepayer of this Province, that is something that is flawed.

The other thing that I want to speak to, Mr. Speaker, is that we have heard a lot in the last few days about the PUB and the \$2 million that it cost to do the review at Decision Gate 2. Now we all know –

AN HON. MEMBER: (Inaudible).

MR. BALL: Two million over nine months, and what we know was that they did not come to a decision. Now, why they did not come to a decision, they have made it quite clear: one, the information was slow coming – but I will say this; we have heard a lot about the \$2 million, but what we have not heard much about, Mr. Speaker, is that we know today that we spent upwards of \$10 million now with some law firms trying to defend the expropriation of Abitibi – and what did we get for that?

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There has not been a whole lot said about that. We spent about \$10 million to support court cases and that we have not heard a whole lot about, but we have \$2 million that was spent to the PUB and we hear about it every day: that they could not do their job.

Mr. Speaker, I would say that when you look at the value of what you get for your money spent, we did not get the answer that we anticipated by hiring this law firm either. Therefore, the \$2 million that was spent on the PUB to review Decision Gate 2 numbers, which we know was a project that was not defined only to the 15 per cent definition – it is not enough to say that simply because of that process, we should just dismiss the PUB for the next fifty years for the oversight that they can offer on this particular project.

Mr. Speaker, it is my privilege today, as the clock winds down there with just a few seconds – that we will support the amendment and the resolution as it exists, Mr. Speaker, and I look forward to all members of this House supporting this resolution and that the laws, indeed, will not change over the next few days.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

We will first deal with the amendment as put forward by the Minister of Natural Resources.

All those in favour of the amendment.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

SOME HON. MEMBERS: Nay.

MR. SPEAKER: Amendment carried.

AN HON. MEMBER: Division.

MR. SPEAKER: Division has been called.

Summon the members.

Division

MR. SPEAKER: All those in favour of the amendment, please rise.

CLERK: Mr. King, Ms Shea, Mr. Davis, Ms Sullivan, Mr. O'Brien, Mr. Jackman, Mr. Marshall, Mr. Kennedy, Mr. Verge, Mr. Littlejohn, Mr. Granter, Mr. Cornect, Mr. McGrath, Mr. Dalley, Mr. Felix Collins, Mr. Sandy Collins, Mr. Kent, Mr. Lane, Mr. Hunter, Mr. Dinn, Mr. Brazil, Ms Perry, Mr. Kevin Parsons, Mr. Little, Mr. Cross, Mr. Pollard, Mr. Peach, Mr. Crummell, Mr. Forsey, Mr. Russell, Mr. Ball, Ms Jones, Mr. Andrew Parsons, Mr. Bennett, Mr. Edmunds, Mr. Joyce, Mr. Osborne.

MR. SPEAKER: All those against the amendment, please stand.

CLERK: Ms Michael, Mr. Kirby, Mr. Murphy, Mr. Mitchelmore, Ms Rogers.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

CLERK: Mr. Speaker, the ayes: thirty-seven; the nays: six.

MR. SPEAKER: Motion carried.

We will now vote on the motion, as amended.

All those in favour of the motion, as amended?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

SOME HON. MEMBERS: Nay.

MR. SPEAKER: Motion carried.

AN HON. MEMBER: Division.

MR. SPEAKER: Division has been called.

MR. KING: A point of order, Mr. Speaker.

MR. SPEAKER: On a point of order, before I call the vote.

MR. KING: On the last vote you indicated six nays; observation was five.

MR. SPEAKER: I wonder if we could read into the record again, please, the corrected number.

CLERK: The ayes: thirty-seven; the nays: five.

MR. SPEAKER: Thank you.

Please summon members for the Division.

Division

MR. SPEAKER: All those in favour of the motion as amended, please rise.

CLERK: Mr. King, Ms Shea, Mr. Davis, Ms Sullivan, Mr. O'Brien, Mr. Jackman, Mr. Marshall, Mr. Kennedy, Mr. Verge, Mr. Littlejohn, Mr. Granter, Mr. Cornect, Mr. McGrath, Mr. Dalley, Mr. Felix Collins, Mr. Sandy Collins, Mr. Kent, Mr. Lane, Mr. Hunter, Mr. Dinn, Mr. Brazil, Ms Perry, Mr. Kevin Parsons, Mr. Little, Mr. Cross, Mr. Pollard, Mr. Peach, Mr. Crummell, Mr. Forsey, Mr. Russell, Mr. Ball, Ms Jones, Mr. Andrew Parsons, Mr. Bennett, Mr. Edmunds, Mr. Joyce, Mr. Osborne.

MR. SPEAKER: All those against the motion as amended, please rise.

CLERK: Ms Michael, Mr. Kirby, Mr. Murphy, Mr. Mitchelmore, Ms Rogers.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

CLERK: Mr. Speaker, the ayes: thirty-seven; the nays: five.

MR. SPEAKER: Motion carried.

This being now 5:00 on Wednesday afternoon, this House stands adjourned until 1:30, tomorrow afternoon, Thursday.