

Date : 11/25/2013 1:44:35 PM  
From : "Quinton, Diana"  
To : "Dalley, Derrick" , "Hynes, Darrell"  
Subject : Fw: KMs - Financial Accountability and Benefits to the Province  
[See below](#)

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**From:** Mundon, Tansy  
**Sent:** Monday, November 25, 2013 01:26 PM Newfoundland Standard Time  
**To:** Quinton, Diana  
**Subject:** RE: KMs - Financial Accountability and Benefits to the Province

Thanks!  
Minister Marshall will speak to our piece. Minister Dalley to speak to the overall issue?

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**From:** Quinton, Diana  
**Sent:** Monday, November 25, 2013 1:24 PM  
**To:** Mundon, Tansy  
**Subject:** KMs - Financial Accountability and Benefits to the Province

## **Natural Resources November 25, 2013 Nalcor – Financial Accountability and Benefits to the Province**

### **Financial Accountability**

- Nalcor is accountable to the Government of Newfoundland and Labrador.
- Nalcor files reports and plans under the Transparency and Accountability Act annually.
- Nalcor files an Annual Business Report to the HoA and holds an AGM where the company's financial position is discussed and open to question.
- Nalcor has an independent auditor (Deloitte) to review its financial operations. The Auditor General can review these files.
- The Auditor General takes the audited financial statements from Nalcor's auditor and reviews from a consolidation audit perspective. They can request additional info from Nalcor, or its auditor, to support the consolidated financial statements.

### **Department of Finance Messages**

- The Provincial Government includes the net income of Nalcor in its consolidated revenue budget.
- Dividends would not impact Government's revenues and its current policy is to allow the corporation to retain these earnings.
- As well, the Provincial Government is making equity contributions to support Muskrat Falls.

### **Benefits to the Province**

- Nalcor has been tasked by government to develop its energy resources. Nalcor is responsible for managing the province's oil and gas interests and for developing the Muskrat Falls project, in addition to operating the assets associated with the regulated utility.
- In the 2007 Energy Plan, Government committed to making equity investments in oil and gas developments, and to using non-renewable resource revenues to invest in renewable energy projects.
- These projects require investment but will generate significant revenues in the future.
- For example, based on oil price and production forecasts, Nalcor Energy is projected to be fully self-sufficient in its oil and gas investments as early as 2016 – one year before Hebron has first oil.

- Revenue from its projects will be in excess of \$75 million in 2013, climbing to peak revenue of \$535 million ten years from now in 2023 with the addition of Hebron production post 2017.