

Date : 1/20/2014 10:28:49 AM

From : "Parsons, Paul O"

To : "Morris, Paul J." , "Cowan, John" , "McGrath, Rob"

Subject : RE: News Release for Approval: Minister Clarifies Information about Capital Cost of the Muskrat Falls Project

Paul,
They may want to also consider including links to the Oct 30, 2012 news release and video of news conference releasing DG3 cost and CPW results.

<http://www.releases.gov.nl.ca/releases/2012/exec/1030n01.htm>

and

<http://www.youtube.com/watch?v=87UndSsmBfo&feature=plcp>

In the video, Ed Martin makes comments on the DG3 \$6.2B cost and CPW analysis including that the DG3 estimate does not include IDC (see video from 19:25 to 23:00).

Paul P.

From: Morris, Paul J.

Sent: Monday, January 20, 2014 9:41 AM

To: Parsons, Paul O; Cowan, John; McGrath, Rob

Subject: Fw: News Release for Approval: Minister Clarifies Information about Capital Cost of the Muskrat Falls Project

Importance: High

Comments?

From: Quinton, Diana

Sent: Monday, January 20, 2014 09:38 AM

To: Dalley, Derrick

Cc: Hynes, Darrell; Bown, Charles W.; English, Tracy; Morris, Paul J.

Subject: News Release for Approval: Minister Clarifies Information about Capital Cost of the Muskrat Falls Project

Natural Resources

Finance

January 20, 2014

Sound Fiscal Management Remains Government's Focus

Minister Clarifies Information about Capital Cost of the Muskrat Falls Project

Today, the Honourable Derrick Dalley, Minister of Natural Resources, confirmed that that direct capital costs for the Muskrat Falls Project is \$6.2 billion, as indicated in the Decision Gate 3 cost estimate released to the public in October 2012. A capital cost update on the Muskrat Falls Project will be provided within the first quarter of 2014.

"It's important that those representing the people of the province understand how the project works and how costs are derived, and that they prudently provide accurate information to the public. Consequently, I was very disappointed to read that the Leader of the Opposition recently put out information that did not give an accurate portrayal of capital costs for the Muskrat Falls Project."

- The Honourable Derrick Dalley, Minister of Natural Resources

In the Auditor General's report released on January 17, 2013, a figure of \$6.9 billion was provided which represents the Provincial Government's equity of \$1.9 billion and \$5.0 billion being financed from outside sources. It's important to note that this is not the release of new capital costs for the project.

"Our government remains committed to prudent fiscal management and the goals of our 10-year Sustainability Plan. The Department of Finance will continue to monitor the overall costs of the Muskrat Falls project in collaboration with the Department of Natural Resources and Nalcor. Together we will work to ensure both accountability and transparency in managing this important project."

- The Honourable Tom Marshall, Minister of Finance

Through sound fiscal management and responsible decisions, the Government of Newfoundland and Labrador is strengthening the business environment, encouraging the development of innovative industries and building a vibrant economy.

QUICK FACTS

- The Muskrat Falls Project was sanctioned in December 2012 with direct capital cost of \$6.2 billion plus financing costs to be capitalized during the period up to in-service.
- During the Decision Gate 3 technical briefing held on October 30, 2012, Nalcor indicated that interest during construction was not included in the capital costs of the Muskrat Falls Project (Decision Gate Three technical briefing, http://www.powerinourhands.ca/pdf/TB_DG3.pdf).
- The Muskrat Falls Project was announced on November 18, 2010

<http://www.releases.gov.nl.ca/releases/2010/exec/1118n06.htm>).

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