

CS-69

20131024 - NR2013-
Muskrat Falls Project – Financing Directives
to the Public Utilities Board

NR 2013-

**Title: Muskrat Falls Project – Financing Directives to the Public
Utilities Board**

ISSUE:

Whether to proclaim Bill 61, *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007*, and issue two Orders-in-Council: 1) to exempt Muskrat Falls Project (the Project) activities and costs from Public Utilities Board (“PUB”) oversight, and; 2) to provide direction to the PUB on the inclusion of Project-related costs in Newfoundland and Labrador Hydro’s (“NLH”) rates.

RECOMMENDATION(S):

It is recommended that the Lieutenant Governor in Council:

1. Proclaim Bill 61, *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007*;
2. Authorize and issue two Orders-in-Council to implement revenue-related requirements for the Project:
 - 1) approve and implement the Muskrat Falls Project Exemption Order, 2013, which will have the effect of exempting Project activities described in the Order from oversight by the PUB; and
 - 2) direct the PUB on the inclusion of Project-related costs in Newfoundland and Labrador Hydro’s Island interconnected rates.

BACKGROUND:

In December 2012, the House of Assembly passed Bill 61 – *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro*

Corporation Act, 2007 - to advance the implementation of the Project (*Cabinet paper NR2012-007 and MC2013-0240 refers*). In summary, Bill 61 amends the:

Electrical Power Control Act, 1994 (“EPCA”) to:

- Expand the scope of the direction that the Lieutenant-Governor in Council may give to the PUB as it relates to the Project;
- Provide to NLH the exclusive right to supply, distribute and sell electrical power or energy to a retailer or an industrial customer in respect of the business or operations of that retailer or industrial customer on the island portion of the province, subject to certain exceptions; and
- Require that a retailer or an industrial customer buy electrical power or energy from NL Hydro in respect of the business or operations of that retailer or industrial customer on the island portion of the province.

Energy Corporation Act (“ECA”) to:

- Define the Project;
- Clarify the Crown agency status of Nalcor as it relates to the Project; and
- Exempt borrowing for the Project from the limit currently prescribed in the ECA for Nalcor and its subsidiaries.

Hydro Corporation Act, 2007 (“HCA”) to:

- Clarify the Crown agency status of NLH as it relates to the MF Project.

On November 30, 2012, the Governments of Canada, Newfoundland Labrador and Nova Scotia as well as Nalcor and Emera signed an agreement providing for key terms and conditions for the Federal Loan Guarantee (“FLG”) for the Project as well as the Maritime Link. Section 3.5 (iii) of the FLG requires, in part, the enactment of legislation which puts into legally binding effect the commitments made by the NL Crown as outlined in Schedule A of the FLG which include ensuring that the regulated rates, upon in-service, will allow for the collection of sufficient revenue to recover the costs of the Muskrat Falls plant, the Labrador Transmission Assets (“LTA”) and the Labrador-Island Link (“LIL”) (see *Annex A* for commitments referred to in Schedule A of the FLG).

Consistent with previous Government decisions and commitments, and in order to satisfy this condition of the FLG, Government needs to proclaim Bill 61 and issue two Orders-in-Council to implement the revenue-related commitments as above.

Proclamation of Bill 61

Bill 61 received Royal Assent on December 22, 2012; however, Section 17 states that the Act, or a section, subsection, paragraph or subparagraph of this Act, shall come into force on a day or days to be proclaimed by the Lieutenant-Governor in Council. Therefore, proclamation of Bill 61 is necessary for the amendments to come into effect, and it is recommended that proclamation occur immediately upon Cabinet approval.

Orders-In-Council

1) Muskrat Falls Project Exemption Order, 2013 (attached as Annex A) – will have the effect of exempting Project activities described in the Order from oversight by the PUB by exempting a public utility from the application of the *Public Utilities Act (PUA)*, and Part II of the EPCA for all expenditures, payments, activities, obligations, etc. related to the Project (see *Annex B* for full range of exempted activities). In this case, a public utility includes all current and future corporations or limited partnerships involved in the Project.

The exemption for NLH includes reference to expenditures, payments, obligations, etc. related to any power purchase agreements, transmission funding agreements, and transmission service agreements. There are a number of NL commercial agreements (principally among the Nalcor subsidiaries, including NLH) currently being drafted which will likely be dealt with in a future cabinet submission.

This Exemption Order, issued under the authority of section 5.2 of the EPCA and section 4.1 of PUA will follow the practice of being subordinate legislation, promulgated under the relevant legislation, with the Order in Council adopting and approving the subordinate legislation.

2) Inclusion of Project-related costs in NLH's rates – will direct the PUB to adopt a policy that any of NLH's expenditures, payments, or compensation captured under the Muskrat Falls Project Exemption Order, 2013 shall be included as costs, expenses, or allowances, without disallowance, reduction, or alteration, in NLH's cost of service calculation, so that such costs, expenses, or allowances shall be recovered fully by NLH in Island interconnected rates. Such costs, expenses, or allowances shall not be subject to subsequent PUB review, and shall persist throughout any rate setting processes for any public utility, including Newfoundland Power Inc. (see *Annex C* for full details). This direction does not apply to NLH's costs, expenses or allowances directly attributable to the marketing or sale of electricity outside of the province that does not benefit NLH.

Additionally, no costs, expenses, or allowances will be included in NLH's cost of service calculation or will be recovered in NLH's Island interconnected rates until the Project is commissioned or is nearing commissioning and NLH is receiving services from the Project. It should be noted that NLH could start to receive services at different times for the three components (Muskrat Falls generating station, Labrador Transmission Assets, and Labrador Island Link) and thus the inclusion of costs for the three components may occur at different times. Commissioning of the Project is currently scheduled for 2017.

Both Orders-in-Council only apply to the Project and not the Maritime Link. The recovery of costs for the Maritime Link will be borne by ratepayers in Nova Scotia should the Nova Scotia Utility and Review Board (UARB) approve the Maritime Link as the least-cost option to meet the long-terms needs of Nova Scotia ratepayers. On July 22, 2013, the Nova Scotia UARB released its decision and determined that the Maritime Link is the lowest long-term energy solution for Nova Scotia if Emera can access market-priced energy from Nalcor or some other arrangement. On October 21, 2013, Nalcor and Emera announced an agreement on surplus Muskrat Falls energy in an effort to meet the UARB conditions. The UARB is currently reviewing the agreement. Regardless of the decision, costs associated with the Maritime Link will not be borne by Newfoundland and Labrador ratepayers.

Future Governments would have the ability to rescind the Orders at its discretion.

Financial close for the Project is anticipated to be December 2013. As these Orders-in-Council are necessary to satisfy a condition precedent of the FLG, required for financial close, it is necessary to issue the Orders-in-Council immediately upon Cabinet approval.

In addition, as a result of a competitive bidding process, Nalcor is intending to enter into an agreement with a financial institution on November 5, 2013 to act as Lead Arranger for financing the project. The Lead Arranger will be responsible for raising debt financing of up to \$2.6 billion for the Muskrat Falls/Labrador Transmission Funding Trust and up to \$2.4 billion for the Labrador Island Link Funding Trust. This process is required in order to meet financial close on December 2, 2013. Authorization to retain the Lead Arranger is being sought through a separate request.

ALTERNATIVES:

1. Proclaim Bill 61, *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007*; authorize and issue two Orders-in-Council to implement revenue-related requirements for the Project: 1) approve and implement the Muskrat Falls Project Exemption Order, 2013, which will have the effect of exempting Project activities described in the Order from oversight by the PUB; and 2) direct the PUB on the inclusion of Project-related costs in Newfoundland and Labrador Hydro's rates. (RECOMMENDED)

Pros:

- Meets a condition precedent of the FLG which will enable financial close and the ability to borrow for Project costs instead of using equity to finance Project costs.
- Is consistent with previous Government commitments and decisions related to cost recovery for the Project.
- Will maintain Project schedule with financial close expected in December 2013.
- Will confirm Government's support and commitment to the Project.
- Puts into effect the amendments contained in Bill 61.

Cons:

- The Orders-in-Council will likely generate some negative public reaction, particularly with respect to PUB oversight of Project costs.

2. Do not proclaim Bill 61 and do not issue Orders-in-Council implementing the revenue-related requirements for the Project (NOT RECOMMENDED).

Pros:

- Will avoid potential negative public reaction at this time.

Cons:

- Would not satisfy a condition precedent of the FLG which will not enable financial close.
- Would delay the ability for Nalcor to borrow for Project costs which would result in Government continuing to provide equity as the only option to finance Project costs.
- Would be inconsistent with previous Government commitments and decisions related to cost recovery for the Project.
- Will potentially delay Project schedule.
- Does not put into effect the amendments contained in Bill 61.
- Could be perceived as Government's commitment to the Project is waning.

FINANCIAL CONSIDERATIONS:

There are no financial implications, other than those associated with the recovery of costs as indicated throughout.

INTERDEPARTMENTAL CONSIDERATIONS:

The Departments of Justice and Finance have collaborated on the development of this Submission and are supportive of the recommendation.

LABRADOR OR ABORIGINAL CONSIDERATIONS:

Project costs will not be recovered through Labrador ratepayers.

INTERGOVERNMENTAL CONSIDERATIONS:

These recommendations are necessary in order to satisfy the conditions, in part, of Section 3.5 (iii) of the FLG. The federal government has reviewed the Orders-in-Council and has indicated that they will satisfy the related condition precedents.

OTHER JURISDICTIONS:

N/A

CONSULTATIONS:

Nalcor and its financial/legal advisors have been consulted extensively throughout the development of the Orders-in-Council and concur with its proposed contents. Canada has also been consulted and has indicated that the Orders-in-Council will satisfy the related condition precedent.

ENVIRONMENTAL CONSIDERATIONS:

N/A

COMMUNICATIONS AND CONSULTATION SYNOPSIS:

Attached as Annex D.

Attachments:

Annex A: Schedule A of the FLG

Annex B: Muskrat Falls Project Exemption Order, 2013

Annex C: Rates Direction Order-in-Council

Annex D: Communications and Consultation Synopsis

DERRICK DALLEY
Minister of Natural Resources

October 24, 2013

Annex A

SCHEDULE "A"

NL Crown commits to do the following:

1. Approve the creation of those subsidiaries or entities controlled by Nalcor which are required in order to facilitate the development and operation of MF, the LIL and the LTA, and to ensure Nalcor and existing and new subsidiaries or entities have the authorized borrowing powers required to implement the Projects and meet any related contractual or reliability obligations.
2. Provide the base level and contingent equity support that will be required by Nalcor to support successful achievement of in-service for MF, the LTA and the LIL, in cases with and without the participation of Emera.
3. Ensure that, upon MF achieving in-service, the regulated rates for Newfoundland and Labrador Hydro ("NLH") will allow it to collect sufficient revenue in each year to enable NLH to recover those amounts incurred for the purchase and delivery of energy from MF, including those costs incurred by NLH pursuant to any applicable power purchase agreement ("PPA") between NLH and the relevant Nalcor subsidiary or entity controlled by Nalcor that will provide for a recovery of costs over the term of the PPA and relate to:
 - a) initial and sustaining capital costs and related financing costs (on both debt and equity), including all debt service costs and a defined internal rate of return on equity over the term of the PPA;
 - b) operating and maintenance costs, including those costs associated with transmission service for delivery of MF power over the LTA (as described further in 5 below);
 - c) applicable taxes and fees;
 - d) payments pursuant to any applicable Impact & Benefit agreements;
 - e) payments pursuant to the water lease and water management agreements; and
 - f) extraordinary or emergency repairs.
4. Ensure that, upon the LIL achieving in-service, the regulated rates for NLH will allow it to collect sufficient revenue in each year to enable NLH to recover those amounts incurred for transmission services, including those costs incurred by NLH pursuant to any applicable agreements between NLH, the LIL operating entity and/or the entity holding ownership in the LIL assets, that will provide for a recovery of costs over the service life of the LIL and relate to:
 - a) initial and sustaining capital costs of the LIL and related financing and debt service costs, including a specific capital structure and regulated rate of return on equity equal to, at least, a minimum value required to achieve the debt service coverage ratio agreed to in lending agreements by the LIL borrowing entity;

- b) operating and maintenance costs;
 - c) applicable taxes and fees; and
 - d) extraordinary or emergency repairs;
5. Ensure that, upon LTA achieving in-service, the regulated rates for the provision of transmission service over the LTA will provide for a recovery of costs over the service life of the LTA including initial and sustaining capital costs, operating and maintenance costs, extraordinary or emergency repairs, applicable taxes and fees and financing costs (on both debt and equity), including all debt service costs and a defined internal rate of return on equity over the term of any applicable agreement.

Annex B**Exemption Order OC (including Muskrat Falls Project Exemption Order, 2013)**

Under the authority of sections 5.2 of the *Electrical Power Control Act, 1994* and section 4.1 of the *Public Utilities Act*, the Lieutenant Governor in Council is pleased to make the *Muskrat Falls Project Exemption Order, 2013* a copy of which is on file with the Clerk of the Executive Council.

Attachment to OC – Draft Exemption Order

This Order will be promulgated as subordinate legislation under the Electrical Power Control Act, 1994 and the Public Utilities Act. Examples of existing Exemption Orders may be found at http://assembly.nl.ca/Legislation/sr/reg_140.htm

Under the authority of section 5.2 of the *Electrical Power Control Act, 1994* and section 4.1 of the *Public Utilities Act*, the Lieutenant Governor in Council makes the following Order.

1. This order may be cited as the *Muskrat Falls Project Exemption Order, 2013*.
2. (1) In this order
 - (a) “LiL” means the transmission line and all related components of the Muskrat Falls Project described in section 2.1(1)(a)(ii) of the *Energy Corporation Act*, and for greater certainty “all related components” in section 2.1(1)(a)(ii) of the *Energy Corporation Act* includes converter stations, synchronous condensers, and terminal, telecommunications, and switchyard equipment;
 - (b) “LiLParty” means Labrador-Island Link Holding Corporation, the Labrador-Island Link General Partner Corporation, the Labrador-Island Link Limited Partnership, or Labrador-Island Link Operating Corporation, or any combination of them as the context may require;
 - (c) “LTA” means the transmission facilities of the Muskrat Falls Project described in section 2.1(1)(a)(iii) of the *Energy Corporation Act*;
 - (d) “LTACo” means Labrador Transmission Corporation;
 - (e) “MFCo” means Muskrat Falls Corporation;

- (f) "Muskrat Falls" means the hydroelectric facilities of the Muskrat Falls Project as described in section 2.1(1)(a)(i) of the *Energy Corporation Act*.
- (2) In this order, references:
- (a) to a public utility or an activity being "exempt" means the public utility or the activity is exempt from the application of:
- (i) the *Public Utilities Act*; and
- (ii) Part II of the *Electrical Power Control Act, 1994*; and
- (b) to a corporation or limited partnership, where the corporation or limited partnership does not exist as of the date of this Order coming into force, shall be valid upon the creation of the corporation or limited partnership under to the *Energy Corporation Act* and the *Corporations Act* or the *Limited Partnership Act*.
3. LilParty, LTACo and MFCo are acknowledged to be public utilities under the *Public Utilities Act* for the purpose of this Order.
4. (1) Newfoundland and Labrador Hydro is exempt in respect of:
- (a) any:
- (i) expenditures, payments, or compensation paid to MFCo by Newfoundland and Labrador Hydro relating to the purchase and storage of electrical power and energy, the purchase of interconnection facilities, ancillary services, and greenhouse gas credits;
- (ii) obligations of Newfoundland and Labrador Hydro in addition to (i) to ensure MFCo's and LTACo's ability to meet their respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA; and
- (iii) expenditures, payments, or compensation paid to MFCo and revenues, proceeds or income received by Newfoundland and Labrador Hydro relating to the sale of electrical power and energy acquired from MFCo to persons located outside of the province;
- whether pursuant to one or more power purchase agreements or otherwise;

- (b) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any electrical power and energy, interconnection facilities, ancillary services, and greenhouse gas credits under (a);
 - (c) any expenditures, payments, or compensation paid to LilParty and claimed as costs, expenses or allowances by Newfoundland and Labrador Hydro relating to the design, engineering, construction and commissioning of transmission assets and the purchase of transmission services and ancillary services, electrical power and energy, from LilParty or otherwise with respect to the LiL, pursuant to one or more transmission services agreements, transmission funding agreements, or otherwise; and
 - (d) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any transmission services and ancillary services, electrical power and energy, with respect to the LiL under (c).
- (2) MFCo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of Muskrat Falls;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy, capacity ancillary services, and greenhouse gas credits, to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) any activity required or related to an agreement under section 5.4 or 5.5 of the *Electrical Power Control Act, 1994*;
 - (d) negotiating, concluding, executing and performing any and all agreements for any activity referred to in paragraph (a), (b) or (c);
 - (e) raising and securing financing necessary to conduct any activity in paragraph (a), (b), (c) or (d), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and

- (f) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with LTACo.
- (3) LilParty is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LiL;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraph (a) or (b);
 - (d) raising and securing any financing necessary to conduct any activity in paragraph (a), (b) or (c), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and
 - (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements between one or more LilParty.
- (4) LTACo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LTA;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraphs (a) and (b);

- (d) raising and securing any financing necessary to construct the LTA, including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing to the projects; and
- (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with MFCo.

Annex C**Rates Direction OC**

Under the authority of section 5.1(2) of the *Electrical Power Control Act, 1994* the Lieutenant Governor in Council directs the Board of Commissioners of Public Utilities to adopt a policy, subject to paragraph 3 of this Order in Council, that:

1. Any expenditures, payments or compensation paid directly or indirectly by Newfoundland and Labrador Hydro, under an agreement or arrangement to which the *Muskrat Falls Project Exemption Order, 2013* applies, to:

- (a) a LilParty;
- (b) a system operator in respect of a tariff for transmission services or ancillary services in respect of the LiL, that otherwise would have been made to a LILParty; or
- (c) MFCo, in respect of:
 - (1) electrical power and energy forecasted by MFCo and Newfoundland and Labrador Hydro to be delivered to, consumed by, or stored by or on behalf of Newfoundland and Labrador Hydro for use within the province, whether or not such electrical power and energy is actually delivered, consumed, or stored within the province;
 - (2) GHG credits, transmission services and ancillary services; and
 - (3) obligations of Newfoundland and Labrador Hydro in addition to those in (1) and (2) to ensure MFCo's and LTACo's ability to meet their respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA;

shall be included as costs, expenses or allowances, without disallowance, reduction or alteration of those amounts, in Newfoundland and Labrador Hydro's cost of service calculation in any rate application and rate setting process, so that those costs, expenses or allowances shall be recovered in full by Newfoundland and Labrador Hydro in Island interconnected rates charged to the appropriate classes of ratepayers.

2. The costs, expenses or allowances of Newfoundland and Labrador Hydro described above, and the rates for Newfoundland and Labrador Hydro established by the Board of Commissioners pursuant to the direction under paragraph 1 of this Order in Council, shall not be subject to subsequent review, and shall persist without disallowance, reduction or alteration of those costs, expenses or

allowances or rates, throughout any processes for any public utility, including Newfoundland Power Inc., or any other process under the *Electrical Power Control Act, 1994* or the *Public Utilities Act*;

3. Notwithstanding paragraphs 1 and 2 of this Order in Council, no amounts paid by Newfoundland and Labrador Hydro described in paragraphs 1 and 2 shall be included as costs, expenses or allowances in Newfoundland and Labrador Hydro's cost of service calculation or in any rate application or rate setting process, and no such costs, expenses or allowances shall be recovered by Newfoundland and Labrador Hydro in rates:
 - (a) where such amounts are directly attributable to the marketing or sale of electrical power and energy by Newfoundland and Labrador Hydro to persons located outside of the province on behalf of and for the benefit of MFCo and not Newfoundland and Labrador Hydro; and
 - (b) in any event, in respect of each of Muskrat Falls, the LTA or the LIL, until such time as the project is commissioned or nearing commissioning and Newfoundland and Labrador Hydro is receiving services from such project.
4. In this Order in Council, terms shall have the meaning ascribed to them in the *Muskrat Falls Project Exemption Order, 2013*.

Annex D

Communications and Consultation Synopsis

**COMMUNICATIONS PLAN
Department of Natural Resources**

Title: Financing Directives to the Board of Commissioners of Public Utilities

Issue: Whether to proclaim Bill 61 and authorize two Orders-in-Council to implement revenue-related requirements for the Muskrat Falls Project

Consulted with: Department of Natural Resources	Date drafted: October 3, 2013 (Revisions made October 22, 2013)	Announcement date: Upon release of Orders in Council
---	--	--

COMMUNICATIONS ANALYSIS

Public Environment

- In December 2012, the Government of Newfoundland and Labrador introduced Bills 60 and 61 in the House of Assembly. Both the Official Opposition and Third Party criticized government for fast-tracking legislation related to Muskrat Falls and rushing a decision on project sanction.
- The Official Opposition issued a news release on December 22, 2012 saying that “these were both very complicated pieces of legislation that will have far reaching effects on not just the Muskrat Falls project, but also electrical power rates and land expropriation for the duration of the project.” The Third Party criticized government in a news release issued on the same day saying that “the Dunderdale Conservatives have done what Stephen Harper demanded. They have protected Nalcor and its grandiose project, and sacrificed the people of this province to do it.”
- Upon conclusion of an 86-hour filibuster, Bills 60 and 61 were passed in the House of Assembly. Media coverage during the filibuster was extensive and focused on the exclusion of the Board of Commissioners of Public Utilities (PUB) from the rate-setting process and Nalcor Energy’s (Nalcor) monopoly as sole wholesale electricity generator on the Island.

Strategic Considerations

- Proclamation of Bill 61 may revive criticism over such issues as to why the PUB was removed from the rate-setting process so that amounts charged by Hydro for Muskrat Falls power will not be subject to review or adjustments by the PUB.

- Also, amendments make Hydro the exclusive supplier of electrical power to industrial customers and to Newfoundland Power. Restricting Newfoundland Power's role and creating a sole monopoly maybe perceived as government unfairly limiting control and acting in its own best interest.
- Consultations with Newfoundland Power and industrial customers have not yet occurred. It is expected that the proposed amendments will have minimal effects on Newfoundland Power's profitability since it earns a return primarily on its investments in the distribution system.
- The authorization and issuing of these two Orders-in-Council only apply to the Muskrat Falls Project and not to the Maritime Link. The outcome of Nova Scotia's Utility and Review Board costs associated with the Maritime Link will not be borne by Newfoundland and Labrador ratepayers.
- Since proclamation of Bill 61 is a condition of the federal loan guarantee, opponents, such as Official Opposition, the Third Party, and Energy 2041 may call on government for a status update of work ongoing regarding the financial close expected by the end of 2013.

Target Audiences

Internal

- Premier's Office
- Executive Council
- Department of Natural Resources
- Department of Justice
- Department of Finance
- MHAs

External

- Nalcor Energy
- Newfoundland and Labrador Hydro
- Newfoundland Power
- Emera
- Government of Canada
- Government of Nova Scotia
- Media
- Residents of Newfoundland and Labrador
- Official Opposition and Third Party

Consultations

- No public consultations were required to proclaim Bill 61.
- The Government of Canada has been consulted on Bill 61 and has confirmed that the Orders-in-Council will satisfy the conditions of the federal loan guarantee.
- Nalcor has been consulted on the Orders-in-Council and agree with the conditions.
- Bill 61 has received extensive debate in the House of Assembly.

Communications Objectives

- To ensure a balanced approach is taken in the media regarding Bill 61.

COMMUNICATIONS STRATEGY**Overall Approach**

- The recommendation is to issue a news release regarding proclamation of Bill 61.

Key Messages

- Bill 61 was one of the conditions required in the federal loan guarantee term sheet.
- Bill 61 supports advancement of the Muskrat Falls Project and helps move the project forward in a timely manner.
- The Muskrat Falls project is about the future of energy in Newfoundland and Labrador. It will provide tremendous benefit to our province, the Atlantic region, and Canada as a whole.

The Announcement (and activities)

- A news release will be issued to coincide with the release of OCs.
- Communications materials would include news release, key messages, and QAs.
- The announcement will also be publicized through the Provincial Government's twitter account.

Minister's Involvement

- It is recommended that the Minister of Natural Resources be available to respond to media inquiries.

Interdepartmental Coordination

- Communications materials will be prepared by the Department of Natural Resources.
- Once communications materials are finalized, all materials will be provided to the Premier's Office and Executive Council.

Briefing of Members of the House of Assembly

- Members will be briefed as required.

Internal Communications

- N/A

Follow-up Activities

- Local media stories will be monitored.
- Callers to VOCM's Open Line and Back Talk commentary shows will also be monitored to ascertain opinions from residents and project opponents.
- Any concerns will be addressed appropriately.

Evaluation Criteria

- A media analysis will be undertaken to determine the reaction of stakeholders. The analysis will include the collection and review of media stories.

Budget

- N/A

Prepared by: Diana Quinton, Director of Communications

Approved by: Charles Bown, Deputy Minister
Derrick Dalley, Minister

November 28, 2013



**NEWFOUNDLAND AND LABRADOR
REGULATION /13**

Muskrat Falls Project Exemption Order
under the
Electrical Power Control Act, 1994
and the
Public Utilities Act
(O.C. 2013-)

(Filed)

Under the authority of section 5.2 of the *Electrical Power Control Act, 1994* and section 4.1 of the *Public Utilities Act*, the Lieutenant-Governor in Council makes the following Order.

Dated at St. John's,

Julia Mullahey
Clerk of the Executive Council

REGULATIONS

Analysis

- | | |
|-------------------|---------------------|
| 1. Short title | 3. Public utilities |
| 2. Interpretation | 4. Exemption |

Short title

1. This Order may be cited as the *Muskrat Falls Project Exemption Order*.

Interpretation

2. (1) In this Order

Muskrat Falls Project Exemption Order

/13

- (a) "LiL" means the transmission line and all related components of the Muskrat Falls Project described in section 2.1(1)(a)(ii) of the *Energy Corporation Act*, and for greater certainty "all related components" in that subparagraph includes converter stations, synchronous condensers, and terminal, telecommunications, and switchyard equipment;
 - (b) "LiLParty" means Labrador-Island Link Holding Corporation, the Labrador-Island Link General Partner Corporation, the Labrador-Island Link Limited Partnership, or Labrador-Island Link Operating Corporation, or any combination of them as the context may require;
 - (c) "LTA" means the transmission facilities of the Muskrat Falls Project described in subparagraph 2.1(1)(a)(iii) of the *Energy Corporation Act*;
 - (d) "LTACo" means the Labrador Transmission Corporation;
 - (e) "MFCo" means the Muskrat Falls Corporation;
 - (f) "Muskrat Falls" means the hydroelectric facilities of the Muskrat Falls Project as described in subparagraph 2.1(1)(a)(i) of the *Energy Corporation Act*.
- (2) In this Order, references
- (a) to a public utility or an activity being "exempt" means the public utility or the activity is exempt from the application of
 - (i) the *Public Utilities Act*, and
 - (ii) Part II of the *Electrical Power Control Act, 1994*; and
 - (b) to a corporation or limited partnership, where the corporation or limited partnership does not exist as of the date of this Order coming into force, shall be valid upon the creation of the corporation or limited partnership under the *Energy Corporation Act* and the *Corporations Act* or the *Limited Partnership Act*.

Muskrat Falls Project Exemption Order

/13

Public utilities

3. LilParty, LTACo and MFCo are acknowledged to be public utilities under the *Public Utilities Act* for the purpose of this Order.

Exemption

4. (1) Newfoundland and Labrador Hydro is exempt in respect of

(a) any

(i) expenditures, payments, or compensation paid to MFCo by Newfoundland and Labrador Hydro relating to the purchase and storage of electrical power and energy, the purchase of interconnection facilities, ancillary services, and greenhouse gas credits,

(ii) obligations of Newfoundland and Labrador Hydro in addition to subparagraph (i) to ensure MFCo's and LTACo's ability to meet their respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA, and

(iii) expenditures, payments, or compensation paid to MFCo and revenues, proceeds or income received by Newfoundland and Labrador Hydro relating to the sale of electrical power and energy acquired from MFCo to persons located outside of the province

whether under one or more power purchase agreements or otherwise;

(b) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any electrical power and energy, interconnection facilities, ancillary services, and greenhouse gas credits under paragraph (a);

(c) any expenditures, payments, or compensation paid to LilParty and claimed as costs, expenses or allowances by Newfoundland and Labrador Hydro relating to the design, engineering, construction and commissioning of transmission assets and the purchase of transmission services and ancillary services, electrical power and energy, from LilParty or otherwise with respect to the LiL, under one or more transmission services agreements, transmission funding agreements, or otherwise; and

Muskrat Falls Project Exemption Order

/13

- (d) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any transmission services and ancillary services, electrical power and energy, with respect to the LiL under paragraph (c).
- (2) MFCo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of Muskrat Falls;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy, capacity, ancillary services, and greenhouse gas credits, to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) any activity required or related to an agreement under section 5.4 or 5.5 of the *Electrical Power Control Act, 1994*;
 - (d) negotiating, concluding, executing and performing any and all agreements for any activity referred to in paragraph (a), (b) or (c);
 - (e) raising and securing financing necessary to conduct any activity in paragraph (a), (b), (c) or (d), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and
 - (f) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with LTACo.
- (3) LilParty is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LiL;

Muskrat Falls Project Exemption Order

/13

- (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraph (a) or (b);
 - (d) raising and securing any financing necessary to conduct any activity in paragraph (a), (b) or (c), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and
 - (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements between one or more LilParty.
- (4) LTACo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LTA;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraphs (a) and (b);
 - (d) raising and securing any financing necessary to construct the LTA, including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing to the projects; and

Muskrat Falls Project Exemption Order

/13

- (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with MFCo.

©Queen's Printer



SECRET

Attach To: NR2013-021
Committee No: EPC2013-060

COMMUNICATIONS BRANCH ANALYSIS

Title: **Muskrat Falls Project – Financing Directives to the Public Utilities Board**

- Branch Comment:**
- The Communications Branch has reviewed the submission and agrees with the communications analysis and approach of issuing a news release when the Bills are proclaimed/OCs issued.
 - The Branch will work with the Department to finalize key messages and communications support materials.


Date: October 24, 2013
Prepared by: Lesley Clarke
Reviewed by: Jennifer Collingwood

Attach to: NR2013-
EPC2013-

Title	Muskrat Falls Project – Financing Directives to the Public Utilities Board
Summary of Proposal	The Submission seeks authority to proclaim Bill 61, <i>An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007</i> and issue Orders in Council to exempt the Muskrat Falls Project activities and costs from Public Utilities Board (PUB) oversight and to provide direction to the PUB on the inclusion of project-related costs in Newfoundland and Labrador Hydro's (NLH) rate base.
Secretariat Comment	<ol style="list-style-type: none"> <li data-bbox="389 709 1425 1010">1. Bill 61 received Royal Assent in December 2012 (not yet proclaimed) and amends the <i>Electrical Power Control Act, 1994</i> to expand the scope of the direction that the Lieutenant-Governor in Council may give to the PUB as relates to the Muskrat Falls Project; provide to NLH exclusive right to supply, distribute and sell electrical power or energy to a retailer or an industrial customer in respect of the business or operations of that retailer or industrial customer on the island portion of the province, subject to certain exceptions; and require that a retailer or an industrial customer buy electrical power or energy from NLH in respect of the business or operations of that retailer or industrial customer on the island portion of the province. <li data-bbox="389 1037 1425 1234">2. The Bill also amends the <i>Energy Corporation Act</i> to define the Muskrat Falls Project; clarify the Crown agency status of the corporation as it relates to the Muskrat Falls Project; and exempt borrowing for the Muskrat Falls Project from the limit currently prescribed in the Act for the corporation and its subsidiaries. Bill 61 also provided authority to amend <i>The Hydro Corporation Act, 2007</i> to clarify the Crown agency status of the corporation as relates to the Muskrat Falls Project. <li data-bbox="389 1262 1425 1535">3. The Bill is required to advance the implementation of the Muskrat Falls Project. A Condition Precedent of the Federal Loan Guarantee (FLG) for the Project requires the enactment of legislation which gives legal effect to the commitments made by the NL Crown as outlined in Schedule A of the FLG (Annex A of the Minister's Submission refers). Part of the NL Crown commitments include ensuring the regulated rates of NLH, upon in-service, allow for the collection of sufficient revenue to recover the costs of the Muskrat Falls generating station, the Labrador Transmission Assets (LTA) and the Labrador-Island Link (LIL). <li data-bbox="389 1562 1425 1730">4. To satisfy this FLG condition and to support other financing arrangements, proclamation of the Bill by the Lieutenant-Governor in Council is now required for amendments to come into force, along with the issuance of two Orders in Council to exempt Project activities and costs from PUB oversight and to provide direction to the PUB on the inclusion of project-related costs in the rate base of NLH. <p data-bbox="451 1759 662 1793"><u>Orders in Council</u></p> <ol style="list-style-type: none"> <li data-bbox="389 1793 1425 1923">5. Under the authority of section 5.2 of the <i>Electrical Power Control Act, 1994</i> and section 4.1 of the <i>Public Utilities Act</i>, the Submission recommends that the Lieutenant Governor in Council adopt the Muskrat Falls Project Exemption Order, 2013, exempting NLH (and all current and future corporations or limited partnership involved in the Project)

from PUB oversight for all aspects of its activities, costs and obligations relating to the purchase of electrical power and transmission services with respect to the Project, pursuant to any applicable power purchase agreements, transmission services agreements and/or transmission funding agreements. The Exemption Order is attached in Annex B of the Minister's Submission.

6. Under the authority of section 5.1 (2) of the *Electrical Power Control Act, 1994*, the Submission also recommends that the Lieutenant Governor in Council issue an Order to direct the PUB to adopt a policy that requires all associated Project-related costs to be included, without alteration, in NLH's cost of service calculation, so that such costs are fully recovered by NLH through Island interconnected rates (Labrador rates are not affected), including any additional costs necessary to ensure obligations under related financing arrangements are met. The Order directs the PUB not to include any costs in rates until after commissioning or near-commissioning is achieved (once NLH is receiving a service), projected to be in 2017. The Rates Direction Order is attached in Annex C of the Minister's Submission.
7. Both Orders apply only to the Muskrat Falls generating station, LTA and LIL - not the Maritime Link, costs for which will be borne by ratepayers in Nova Scotia. The Orders direct that the costs, expenses and allowances of NLH will not be subject to any future review by the PUB, along with the rates for NLH not subject to any public utility rate setting process or any other process under the *Electrical Power Control Act, 1994* or the *Public Utilities Act*.
8. The Orders contain no termination date. The Orders can be rescinded at the discretion of the Lieutenant Governor in Council. The federal government has indicated that the orders satisfy the related FLG conditions precedents, with the financial close of the project expected in December 2013.

- 
10. LAA and OPE (RS) have no concerns. PIAO notes that the while Submission does not require a Regulatory Impact Analysis, minor regulatory count increases are to be expected as a result of the recommendations (estimated to be less than 20 requirements). PIAO will work with NR to determine and report the exact regulatory count changes once Bill 61 is proclaimed and the Orders in Council are issued.
 11. The Communications Branch agrees with the approach indicated and will work with NR to finalize key messages and communications support materials.

Budget Division Consultation Budget Division, FIN has no concerns.

Secretariat Recommendation Cabinet Secretariat recommends approval of the Submission.

DC/TK
October 25, 2013

Attach to: NR2013
EPC2013

Muskrat Falls Project – Financing Directives to the Public Utilities Board

The Submission of the Minister of Natural Resources seeking approval of Muskrat Falls Project – Financing Directives to the Public Utilities Board was considered by the Economic Policy Committee.

It is recommended that the Lieutenant Governor in Council:

1. Proclaim Bill 61, *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007*;
2. Authorize and issue two Orders-in-Council to implement revenue-related requirements for the Project:
 - i. approve and implement the Muskrat Falls Project Exemption Order, 2013, which will have the effect of exempting Project activities described in the Order from oversight by the PUB; and
 - ii. direct the PUB on the inclusion of Project-related costs in Newfoundland and Labrador Hydro's Island interconnected rates.

The Committee recommends approval of the Submission.

October 30, 2013

2013/10/31

MC2013- [REDACTED]



Deputy Clerk
File

NR2013- [REDACTED] EPC2013 [REDACTED]

The Submission of the Minister of Natural Resources respecting Muskrat Falls Project – Financing Directives to the Public Utilities Board was considered.

The following direction was provided:

- 1) Approval was given for the issuance of an Order in Council, under the authority of section 17 of An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007, Statutes of Newfoundland and Labrador 2012, Chapter 47, to cause a proclamation to be issued for the signature of His Honour the Lieutenant Governor to proclaim that Act into force upon publication of a proclamation in the Gazette;
- 2) Approval was given for the issuance of an Order in Council, when required, under the authority of section 5.2 of the Electrical Power Control Act, 1994 and section 4.1 of the Public Utilities Act, to make the Muskrat Falls Project Exemption Order, substantially as outlined in documentation on file with the Clerk of the Executive Council and subject to the review and approval of the Clerk of the Executive Council; and
- 3) Approval was given for the issuance of an Order in Council, when required, under the authority of section 5.1 of the Electrical Power Control Act, 1994, to direct the Board of Commissioners of Public Utilities to adopt a policy, subject to paragraph (c), that:
 - a) Any expenditures, payments or compensation paid directly or indirectly by Newfoundland and Labrador Hydro, under an agreement or arrangement to which the Muskrat Falls Project Exemption Order applies, to:
 - i) a LiLParty,
 - ii) a system operator in respect of a tariff for transmission services or ancillary



2013/10/31

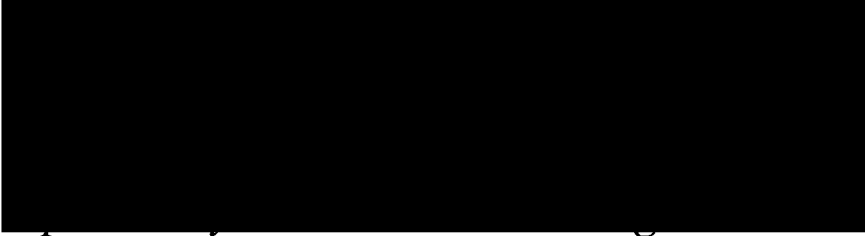
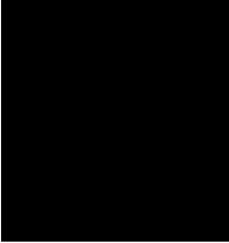
services in respect of the LiL, that otherwise would have been made to a LiLParty, or

iii) Muskrat Falls Corporation, in respect of:

- A) electrical power and energy forecasted by Muskrat Falls Corporation and Newfoundland and Labrador Hydro to be delivered to, consumed by, or stored by or on behalf of Newfoundland and Labrador Hydro for use within the province, whether or not such electrical power and energy is actually delivered, consumed, or stored within the province,
- B) greenhouse gas credits, transmission services and ancillary services, and
- C) obligations of Newfoundland and Labrador Hydro in addition to those in subparagraphs (A) and (B) to ensure the ability of Muskrat Falls Corporation and Labrador Transmission Corporation to meet their respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA

shall be included as costs, expenses or allowances, without disallowance, reduction or alteration of those amounts, in Newfoundland and Labrador Hydro's cost of service calculation in any rate application and rate setting process, so that those costs, expenses or allowances shall be recovered in full by Newfoundland and Labrador Hydro in Island interconnected rates charged to the appropriate classes of ratepayers;

b) The costs, expenses or allowances of Newfoundland and Labrador Hydro described above, and the rates for Newfoundland and Labrador Hydro established by the Board of Commissioners pursuant to the direction in paragraph (a), shall not be subject to subsequent review, and shall persist without disallowance, reduction or alteration of those



2013/10/31

costs, expenses or allowances or rates, throughout any processes for any public utility, including Newfoundland Power Inc., or any other process under the Electrical Power Control Act, 1994 or the Public Utilities Act;

c) Notwithstanding paragraphs (a) and (b), no amounts paid by Newfoundland and Labrador Hydro described in those paragraphs shall be included as costs, expenses or allowances in Newfoundland and Labrador Hydro's cost of service calculation or in any rate application or rate setting process, and no such costs, expenses or allowances shall be recovered by Newfoundland and Labrador Hydro in rates:

- i) where such amounts are directly attributable to the marketing or sale of electrical power and energy by Newfoundland and Labrador Hydro to persons located outside of the province on behalf of and for the benefit of Muskrat Falls Corporation and not Newfoundland and Labrador Hydro; and
 - ii) in any event, in respect of each of Muskrat Falls, the LTA or the LiL, until such time as the project is commissioned or nearing commissioning and Newfoundland and Labrador Hydro is receiving services from such project,
- 4) For the purposes of the Order in Council set out in Item 3, terms shall have the same meaning as in the Muskrat Falls Project Exemption Order.

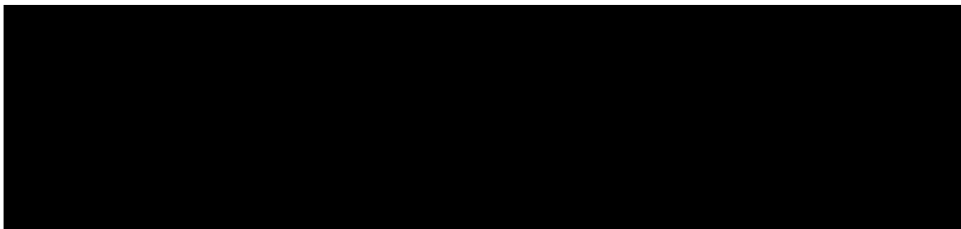
(NO ACTION TO BE TAKEN UNTIL THE ISSUANCE OF THREE ORDERS IN COUNCIL)

Clerk of the Executive Council

Executive
Council



Newfoundland
and Labrador



2013/11/29

OC2013-

MC2013- NR2013- EPC2013-

NR/DM
FIN/DM
JUS/DM
Asst. Sec/EPC
E. Martin/Nalcor
AG
Deputy Clerk
File

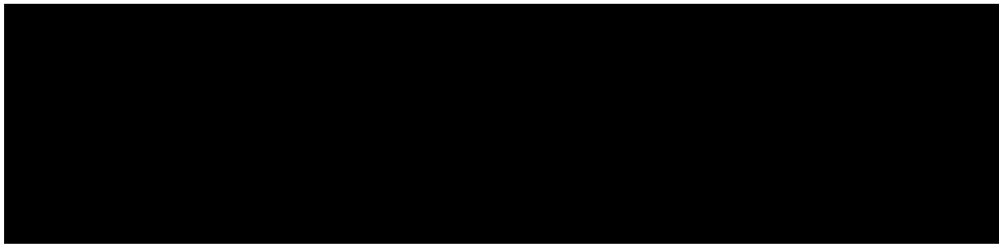
Under the authority of section 17 of An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007, Statutes of Newfoundland and Labrador 2012, Chapter 47, the Lieutenant Governor in Council is pleased to cause a proclamation to be issued for the signature of His Honour the Lieutenant Governor to bring An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007 into force upon publication of a proclamation in the Gazette.

Clerk of the Executive Council

Executive
Council



Newfoundland
and Labrador



2013/11/29

OC2013-██████████

MC2013-██████ NR2013-██████ EPC2013-██████

NR/DM
Asst. Sec/EPC
FIN/DM
JUS/DM
E. Martin/Nalcor
A. Wells/PUB
AG
Deputy Clerk
File

Under the authority of section 5.2 of the Electrical Power Control Act, 1994 and section 4.1 of the Public Utilities Act, the Lieutenant Governor in Council is pleased to make the Muskrat Falls Project Exemption Order, a copy of which is on file with the Clerk of the Executive Council.

Clerk of the Executive Council




Executive
Council





Newfoundland
and Labrador






2013/11/29

OC2013-

NR/DM
TB/Secretary
FIN/DM
JUS/DM
E.Martin/Nalcor
A. Wells/PUB
AG
Deputy Clerk
File



MC2013- NR2013-. TBM2013-

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities to adopt a policy, subject to section 3, that:

1) Any expenditures, payments or compensation paid directly or indirectly by Newfoundland and Labrador Hydro, under an agreement or arrangement to which the Muskrat Falls Project Exemption Order applies, to:

- a) a LiLParty,
- b) a system operator in respect of a tariff for transmission services or ancillary services in respect of the LiL, that otherwise would have been made to a LiLParty, or
- c) Muskrat Falls Corporation, in respect of:
 - i) electrical power and energy forecasted by Muskrat Falls Corporation and Newfoundland and Labrador Hydro to be delivered to, consumed by, or stored by or on behalf of Newfoundland and Labrador Hydro for use within the province, whether or not such electrical power and energy is actually delivered, consumed, or stored within the province,
 - ii) greenhouse gas credits, transmission services and ancillary services, and
 - iii) obligations of Newfoundland and Labrador Hydro in addition to those in paragraphs (i) and (ii) to ensure the ability of Muskrat Falls Corporation and Labrador Transmission Corporation to meet their

Executive
Council



Newfoundland
and Labrador



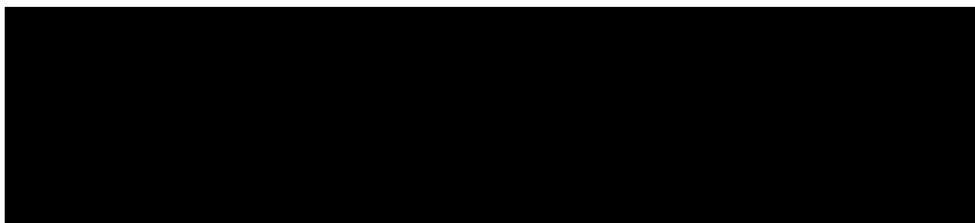
2013/11/29

- respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA shall be included as costs, expenses or allowances, without disallowance, reduction or alteration of those amounts, in Newfoundland and Labrador Hydro's cost of service calculation in any rate application and rate setting process, so that those costs, expenses or allowances shall be recovered in full by Newfoundland and Labrador Hydro in Island interconnected rates charged to the appropriate classes of ratepayers;
- 2) The costs, expenses or allowances of Newfoundland and Labrador Hydro described above, and the rates for Newfoundland and Labrador Hydro established by the Board of Commissioners pursuant to the direction under section 1, shall not be subject to subsequent review, and shall persist without disallowance, reduction or alteration of those costs, expenses or allowances or rates, throughout any processes for any public utility, including Newfoundland Power Inc., or any other process under the Electrical Power Control Act, 1994 or the Public Utilities Act;
- 3) Notwithstanding sections 1 and 2, no amounts paid by Newfoundland and Labrador Hydro described in those sections shall be included as costs, expenses or allowances in Newfoundland and Labrador Hydro's cost of service calculation or in any rate application or rate setting process, and no such costs, expenses or allowances shall be recovered by Newfoundland and Labrador Hydro in rates:
- a) where such amounts are directly attributable to the marketing or sale of electrical power and energy by Newfoundland and Labrador Hydro to persons located outside of the province on behalf of and for the benefit of Muskrat

Executive
Council



Newfoundland
and Labrador



2013/11/29

-
- Falls Corporation and not Newfoundland and Labrador Hydro; and
- b) in any event, in respect of each of Muskrat Falls, the LTA or the LiL, until such time as the project is commissioned or nearing commissioning and Newfoundland and Labrador Hydro is receiving services from such project.
- 4) In this Order in Council, terms shall have the same meaning ascribed to them in the Muskrat Falls Project Exemption Order.

Clerk of the Executive Council



ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her Other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.


LIEUTENANT GOVERNOR:

TO ALL TO WHOM THESE PRESENTS SHALL COME,

GREETING;

A PROCLAMATION

WHEREAS in and by section 17 of An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007, Statutes of Newfoundland and Labrador 2012, Chapter 47 (the "Act"), it is provided that the Act shall come into force on a date to be fixed by Proclamation of Our Lieutenant Governor in Council;

AND WHEREAS it is deemed expedient that the Act shall now come into force;

NOW KNOW YE, THAT WE, by and with the advice of Our Executive Council of Our Province of Newfoundland and Labrador, do by this our Proclamation declare and direct that An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007, Statutes of Newfoundland and Labrador 2012, Chapter 47, shall come into force on the date of publication of this proclamation in the Newfoundland and Labrador Gazette.

OF ALL WHICH OUR LOVING SUBJECTS AND ALL OTHERS whom these Presents may concern are hereby required to take notice and to govern themselves accordingly.

IN TESTIMONY WHEREOF WE have caused these Our Letters to be made Patent and the Great Seal of Newfoundland and Labrador to be hereunto affixed.


ATTORNEY GENERAL

Email Message

From: [Coombs, Doriann \[EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DORIANNCOOMBS\]](mailto:Coombs, Doriann [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DORIANNCOOMBS])

To: [Morris, Joan E. \[SMTP:jmorris@gov.nl.ca\]](mailto:Morris, Joan E. [SMTP:jmorris@gov.nl.ca]), [Quigley, David \[SMTP:dquigley@gov.nl.ca\]](mailto:Quigley, David [SMTP:dquigley@gov.nl.ca]), [Blanche, Pauline \[SMTP:PaulineBlanche@gov.nl.ca\]](mailto:Blanche, Pauline [SMTP:PaulineBlanche@gov.nl.ca]), [Stanley, Todd \[SMTP:toddstanley@gov.nl.ca\]](mailto:Stanley, Todd [SMTP:toddstanley@gov.nl.ca]), [Carter, Ken L \[SMTP:klcarter@gov.nl.ca\]](mailto:Carter, Ken L [SMTP:klcarter@gov.nl.ca]), [Rockett, Jenny L \[SMTP:JennyRockett@gov.nl.ca\]](mailto:Rockett, Jenny L [SMTP:JennyRockett@gov.nl.ca]), [Griffin, Pat \[SMTP:patgriffin@gov.nl.ca\]](mailto:Griffin, Pat [SMTP:patgriffin@gov.nl.ca]), [Gover, Aubrey \[SMTP:aubreygover@gov.nl.ca\]](mailto:Gover, Aubrey [SMTP:aubreygover@gov.nl.ca]), [Harvey, Brian \[SMTP:brianharvey@gov.nl.ca\]](mailto:Harvey, Brian [SMTP:brianharvey@gov.nl.ca]), [Bowles, Ron \[SMTP:rabowles@gov.nl.ca\]](mailto:Bowles, Ron [SMTP:rabowles@gov.nl.ca]), [Collingwood, Jennifer \[SMTP:JenniferCollingwood@gov.nl.ca\]](mailto:Collingwood, Jennifer [SMTP:JenniferCollingwood@gov.nl.ca]), [Clarke, Lesley \[SMTP:LesleyClarke@gov.nl.ca\]](mailto:Clarke, Lesley [SMTP:LesleyClarke@gov.nl.ca])

Cc: [Callan, Lana \[SMTP:lanacallan@gov.nl.ca\]](mailto:Callan, Lana [SMTP:lanacallan@gov.nl.ca]), [Coombs, Doriann \[SMTP:DoriannCoombs@gov.nl.ca\]](mailto:Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca])

Sent: 10/24/2013 at 5:15 PM

Received: 10/24/2013 at 5:15 PM

Subject: UPDATE RE: DRAFT Submission

Hi all:

Â

Please note that the signed Submission (now NR2013-021) will be distributed via SharePoint this afternoon. No changes were made to the content of the document. I kindly request that, if you haven't already provided - please share with me your comments on Submission as soon as you are able.

Â

Many thanks again,
Doriann

Â

From: Coombs, Doriann
Sent: Wednesday, October 23, 2013 4:10 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
Subject: DRAFT Submission -
Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled "Muskrat Falls Project - Directives to the PUB". A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: HYPERLINK "mailto:dorianncoombs@gov.nl.ca"dorianncoombs@gov.nl.ca

Telephone: 729-0966

Â

Â

Â

Â

Â

Â

Email Message

From: King, Tracy [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=TRACYKING]
To: Coombs, Doriann [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DORIANNCOOMBS]
Cc:
Sent: 10/31/2013 at 8:47 AM
Received: 10/31/2013 at 8:47 AM
Subject: Questions below re Bill 61

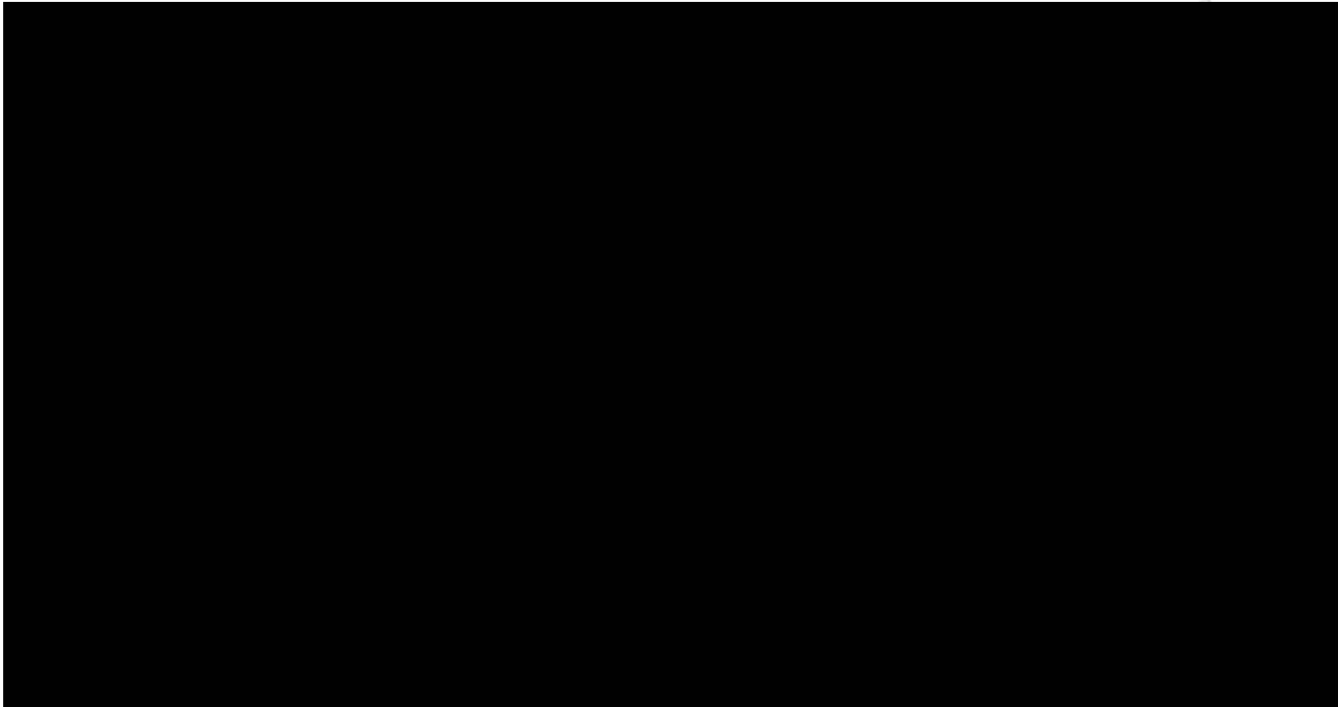
Doriann,

In the (very likely) event that you get to the office before me, can you have a look at the questions below from Julia and discuss with me. I think I know most of them, but would like you to have a look.Â

Just trying to clarify re proposed Orders for Exemption Order and directing PUB to include Project related costs in NLH rates. I am thinking that Bill 61 does not include these two issues??? Just trying to determine if this is the first time these two matters are going before Cabinet or are they already approved via previous MC which required to come back to Cabinet before issuance. The other issue is whether this arrangement re PUB already publicly known or will this only become known when OC issued. Communications readiness re accountability framework (process that will exist to ensure costs appropriate and fully disclosed in absence of PUB oversight) will become essential and I am not sensing from NR that framework even designed? Can we chat in early am to inform briefing if necessary. Thanks.

Email Message

From: Stanley, Todd [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=TODDSTANLEY]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc: Morris, Paul J. [SMTP:pmorris@gov.nl.ca], McGrath, Rob [SMTP:robmcgrath@gov.nl.ca]
Sent: 10/24/2013 at 12:13 PM
Received: 10/24/2013 at 12:13 PM
Subject: RE: DRAFT Submission -



This e-mail (including any attachments) is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and / or be covered by various forms of privilege, including solicitor/client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Civil Division of the Department of Justice, Government of Newfoundland and Labrador and delete all versions of same. Thank you.

Â

From: Coombs, Doriann
Sent: Wednesday, October 23, 2013 4:10 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
Subject: DRAFT Submission -
Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled Muskrat Falls Project Directives to the PUB. A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: [HYPERLINK "mailto:dorianncoombs@gov.nl.ca"dorianncoombs@gov.nl.ca](mailto:dorianncoombs@gov.nl.ca)

Telephone: 729-0966

Â

Â

Â

Â

Â

Â

Email Message

From: Appleby, Christopher [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=APPLEBYC]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc: Gover, Aubrey [SMTP:aubreygover@gov.nl.ca], Harvey, Brian [SMTP:brianharvey@gov.nl.ca], Bowles, Ron [SMTP:radowles@gov.nl.ca], Watkins, Michelle [SMTP:michellewatkins@gov.nl.ca], Barnes, Janice [SMTP:janicebarnes@gov.nl.ca]
Sent: 10/24/2013 at 4:25 PM
Received: 10/24/2013 at 4:25 PM
Subject: Comments on DRAFT NR submission - Muskrat Falls Project à Financing Directives to the Public Utilities Board

Doriann,

À

Please be advised that the Aboriginal Affairs (AA) Branch has reviewed the DRAFT NR submission, Muskrat Falls Project à Financing Directives to the Public Utilities Board. À À Overall, AA has no concerns with the recommendations as currently stated.

À

We would like to note for your further consideration, Nalcor should verify that the recommendations are consistent with the Lower Churchill Innu Impacts and Benefits Agreement

À

These comments are in addition to the comments provided by Labrador Affairs earlier today.

À

À

Christopher Appleby

Senior Policy Analyst

Labrador and Aboriginal Affairs

6th Floor, East Block

Confederation Complex

St. John's, NL

A1B 4J6

À

Telephone 709 729-1773

Fax: À À À À À À À À À À 709 729-4900

À

Email Message

From: Smith, Franca [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=FRANCASMITH]
Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
To:
Cc:
Sent: 10/24/2013 at 11:55 AM
Received: 10/24/2013 at 11:55 AM
Subject: NR2013-xx (Muskrat Falls Project- Financing Directives to the PUB)

Good Morning Doriann:

Â

Labrador and Aboriginal Affairs has reviewed the Memorandum to Executive Council entitled "Muskrat Falls Project- Financing Directives to the Public Utilities Board" (NR2013-xx) and concurs with the recommendations. LAA would like to note that the submission notes that project costs will not be recovered through Labrador ratepayers and recommends that inclusion of Project-related costs in NLH's rates will direct the PUB to adopt a policy that any of NLH's expenditures, payments, or compensation captured under the Muskrat Falls Exemption Order, 2013, shall be included as costs, expenses or allowances, without disallowance, reduction, or alteration, in NLH's cost of service calculation, so that such costs, expenses, or allowances shall be fully recovered by NLH in Island interconnected rates.

Â

Thank you,

Franca

Â

Franca Smith

Senior Analyst

Executive Council

Labrador and Aboriginal Affairs

709-896-1780 (t)

709-897-5473 (c)

709-896-0045 (f)

HYPERLINK "mailto:FrancaSmith@gov.nl.ca"FrancaSmith@gov.nl.ca

Â

Â

Franca Smith

Senior Analyst

Executive Council

Labrador and Aboriginal Affairs

709-896-1780 (t)

709-897-5473 (c)

709-896-0045 (f)

FrancaSmith@gov.nl.ca

Â

Email Message

From: Appleby, Christopher [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=APPLEBYC]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc: Gover, Aubrey [SMTP:aubreygover@gov.nl.ca], Harvey, Brian [SMTP:brianharvey@gov.nl.ca], Bowles, Ron [SMTP:rabowles@gov.nl.ca], Barnes, Janice [SMTP:janicebarnes@gov.nl.ca], Watkins, Michelle [SMTP:michellewatkins@gov.nl.ca]
Sent: 10/25/2013 at 10:31 AM
Received: 10/25/2013 at 10:31 AM
Subject: Comments on Cabinet paper NR 2013-021 - Muskrat Falls Project à Financing Directives to the Public Utilities Board

À

Hi Doriann,

À

Aboriginal Affairs Branch has reviewed the Cabinet paper NR 2013-021 with the title Muskrat Falls Project à Financing Directives to the Public Utilities Board.À À As you know, we have previously reviewed a draft of this paper and support the recommendations outlined in this paper.

À

Thank you.

À

À

Christopher Appleby
 Senior Policy Analyst
 Labrador and Aboriginal Affairs
 6th Floor, East Block
 Confederation Complex
 St. John's, NL
 A1B 4J6

À

Telephone 709 729-1773

Fax:À À À À À À À À À À 709 729-4900

À

À

À

Â

From: Coombs, Doriann
Sent: Thursday, October 24, 2013 4:16 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: Callan, Lana; Coombs, Doriann
Subject: UPDATE RE: DRAFT Submission
Importance: High

Â

Hi all:

Â

Please note that the signed Submission (now NR2013-021) will be distributed via SharePoint this afternoon. No changes were made to the content of the document. I kindly request that, if you haven't already provided - please share with me your comments on Submission as soon as you are able.

Â

Many thanks again,
Doriann

Â

From: Coombs, Doriann
Sent: Wednesday, October 23, 2013 4:10 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
Subject: DRAFT Submission -
Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled "Muskrat Falls Project - Directives to the PUB". A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: HYPERLINK "mailto:dorianncoombs@gov.nl.ca"dorianncoombs@gov.nl.ca

Telephone: 729-0966

Â

Â

Â

Â

Â

Â

Enactment Name:

Submission #.

MC # :

Electronic **Hard Copy**

From Dept **From Leg Counsel**
 (Confirmation from Dept of Sign-off)

		<i>Date Provided</i>	<i>Date Reviewed</i>
C. Blundon Review	<input type="text" value="JT"/>		
Cabinet Officer Review	<input type="text" value="JC"/>	Nov. 26	Nov. 27
Assistant Secretary Review	<input type="text" value="JK"/>	Nov. 27	Nov. 27

File Copy Provided to J. Barry-Coffey

November 7, 2013



**NEWFOUNDLAND AND LABRADOR
REGULATION /13**

Muskrat Falls Project Exemption Order
under the
Electrical Power Control Act, 1994
and the
Public Utilities Act
(O.C. 2013-)

(Filed)

Under the authority of section 5.2 of the *Electrical Power Control Act, 1994* and section 4.1 of the *Public Utilities Act*, the Lieutenant-Governor in Council makes the following Order.

Dated at St. John's,

Julia Mullaley
Clerk of the Executive Council

REGULATIONS

Analysis

- | | |
|-------------------|---------------------|
| 1. Short title | 3. Public utilities |
| 2. Interpretation | 4. Exemption |

Short title 1. This Order may be cited as the *Muskrat Falls Project Exemption Order*.

Interpretation 2. (1) In this Order

Muskrat Falls Project Exemption Order

/13

- (a) "LiL" means the transmission line and all related components of the Muskrat Falls Project described in section 2.1(1)(a)(ii) of the *Energy Corporation Act*, and for greater certainty "all related components" in that subparagraph includes converter stations, synchronous condensers, and terminal, telecommunications, and switchyard equipment;
 - (b) "LilParty" means Labrador-Island Link Holding Corporation, the Labrador-Island Link General Partner Corporation, the Labrador-Island Link Limited Partnership, or Labrador-Island Link Operating Corporation, or any combination of them as the context may require;
 - (c) "LTA" means the transmission facilities of the Muskrat Falls Project described in subparagraph 2.1(1)(a)(iii) of the *Energy Corporation Act*;
 - (d) "LTACo" means the Labrador Transmission Corporation;
 - (e) "MFCo" means the Muskrat Falls Corporation;
 - (f) "Muskrat Falls" means the hydroelectric facilities of the Muskrat Falls Project as described in subparagraph 2.1(1)(a)(i) of the *Energy Corporation Act*.
- (2) In this Order, references
- (a) to a public utility or an activity being "exempt" means the public utility or the activity is exempt from the application of
 - (i) the *Public Utilities Act*, and
 - (ii) Part II of the *Electrical Power Control Act, 1994*; and
 - (b) to a corporation or limited partnership, where the corporation or limited partnership does not exist as of the date of this Order coming into force, shall be valid upon the creation of the corporation or limited partnership under the *Energy Corporation Act* and the *Corporations Act* or the *Limited Partnership Act*.

Muskrat Falls Project Exemption Order

/13

Public utilities 3. LilParty, LTACo and MFCo are acknowledged to be public utilities under the *Public Utilities Act* for the purpose of this Order.

Exemption 4. (1) Newfoundland and Labrador Hydro is exempt in respect of

(a) any

(i) expenditures, payments, or compensation paid to MFCo by Newfoundland and Labrador Hydro relating to the purchase and storage of electrical power and energy, the purchase of interconnection facilities, ancillary services, and greenhouse gas credits,

(ii) obligations of Newfoundland and Labrador Hydro in addition to subparagraph (i) to ensure MFCo's and LTACo's ability to meet their respective obligations under financing arrangements related to the construction and operation of Muskrat Falls and the LTA, and

(iii) expenditures, payments, or compensation paid to MFCo and revenues, proceeds or income received by Newfoundland and Labrador Hydro relating to the sale of electrical power and energy acquired from MFCo to persons located outside of the province

whether under one or more power purchase agreements or otherwise;

(b) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any electrical power and energy, interconnection facilities, ancillary services, and greenhouse gas credits under paragraph (a);

(c) any expenditures, payments, or compensation paid to LilParty and claimed as costs, expenses or allowances by Newfoundland and Labrador Hydro relating to the design, engineering, construction and commissioning of transmission assets and the purchase of transmission services and ancillary services, electrical power and energy, from LilParty or otherwise with respect to the LiL, under one or more transmission services agreements, transmission funding agreements, or otherwise; and

Muskrat Falls Project Exemption Order

/13

(d) any activity relating to the receipt of delivery, use, storage or enjoyment by Newfoundland and Labrador Hydro of any transmission services and ancillary services, electrical power and energy, with respect to the LiL under paragraph (c).

(2) MFCo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:

(a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of Muskrat Falls;

(b) producing, generating, storing, transmitting, delivering or providing electric power and energy, capacity ancillary services, and greenhouse gas credits, to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;

(c) any activity required or related to an agreement under section 5.4 or 5.5 of the *Electrical Power Control Act, 1994*;

(d) negotiating, concluding, executing and performing any and all agreements for any activity referred to in paragraph (a), (b) or (c);

(e) raising and securing financing necessary to conduct any activity in paragraph (a), (b), (c) or (d), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and

(f) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with LTACo.

(3) LiLParty is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:

(a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LiL;

Muskrat Falls Project Exemption Order

/13

- (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraph (a) or (b);
 - (d) raising and securing any financing necessary to conduct any activity in paragraph (a), (b) or (c), including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing; and
 - (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements between one or more LilParty.
- (4) LTACo is exempt in respect of any activity, and any expenditures, payments or compensation, or any revenues, proceeds or income, relating to the following:
- (a) the design, engineering, planning, construction, commissioning, ownership, operation, maintenance, management and control of the LTA;
 - (b) producing, generating, storing, transmitting, delivering or providing electric power and energy to or for Newfoundland and Labrador Hydro or any other person or corporation for compensation;
 - (c) negotiating, concluding, executing and performing any and all agreements for activities referred to in paragraphs (a) and (b);
 - (d) raising and securing any financing necessary to construct the LTA, including without limitation the negotiation, conclusion, execution and performance of any and all agreements and security documentation with any lender providing that financing to the projects; and

Muskat Falls Project Exemption Order

/13

- (e) any agreements, contracts or instruments necessary or incidental to any activity described in this exemption, including agreements with MFCo.

©Queen's Printer

Email Message

From: Caines, Trina [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=TRINACAINES]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc: Griffin, Pat [SMTP:patgriffin@gov.nl.ca], Harvey, Michael [SMTP:michaelharvey@gov.nl.ca]
Sent: 10/24/2013 at 12:59 PM
Received: 10/24/2013 at 12:59 PM
Subject: FW: DRAFT Submission -

Hi Doriann:

Â

I have reviewed this submission on behalf of the PIAO. The submission does not require a Regulatory Impact Analysis. However, there will be some minor regulatory count increases (estimated to be less than 20 requirements). The PIAO will advise the Department to report exact changes once Bill 61 is proclaimed and the Orders-in-Council are issued.

Â

If you have any questions, please let me know.

Â

Regards,

Â

tlc

Â

Trina Caines, Program and Policy Development SpecialistÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â

Policy Innovation and Accountability Office

Office of the Executive Council

Government of Newfoundland and Labrador

Â

t. 709.729.2204; HYPERLINK "http://www.policynlmarketplace.ca/"policynlmarketplace.ca

Â

Â

Â

From: Griffin, Pat
 Sent: Wednesday, October 23, 2013 4:26 PM
 To: Caines, Trina
 Subject: FW: DRAFT Submission -

Importance: High

Â

Â

Â

From: Coombs, Doriann
Sent: Wednesday, October 23, 2013 4:10 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
Subject: DRAFT Submission -
Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled "Muskrat Falls Project - Directives to the PUB". A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: [HYPERLINK "mailto:dorianncoombs@gov.nl.ca"](mailto:dorianncoombs@gov.nl.ca)dorianncoombs@gov.nl.ca

Telephone: 729-0966

Â

Â

Â

Â

Â
Â

Email Message

From: Rockett, Jenny L [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=JENNYROCKETT]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc:
Sent: 10/25/2013 at 4:40 PM
Received: 10/25/2013 at 4:40 PM
Subject: RE: UPDATE RE: DRAFT Submission

Hi Doriann,

As a follow up to our conversation this morningâ! We have reviewed the below referenced submission. There does not appear to be any differential rural implications associated with the recommendations and as such a rural lens is not required.

Â

Thanks,

Jenny

Â

Policy & Program Development Specialist

Office of Public Engagement, Rural Secretariat

Executive Council, Government NL

729-1617

Â

From: Coombs, Doriann
Sent: Thursday, October 24, 2013 4:16 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: Callan, Lana; Coombs, Doriann
Subject: UPDATE RE: DRAFT Submission
Importance: High

Â

Hi all:

Â

Please note that the signed Submission (now NR2013-021) will be distributed via SharePoint this afternoon. No changes were made to the content of the document. I kindly request that, if you havenât already provided - please share with me your comments on Submission as soon as you are able.

Â

Many thanks again,
Doriann

Â

From: Coombs, Doriann
Sent: Wednesday, October 23, 2013 4:10 PM
To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
Subject: DRAFT Submission -
Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled "Muskrat Falls Project - Directives to the PUB". A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: [HYPERLINK "mailto:dorianncoombs@gov.nl.ca" dorianncoombs@gov.nl.ca](mailto:dorianncoombs@gov.nl.ca)

Telephone: 729-0966

Â

Â

Â

Â

Â

Â

Email Message

From: Quigley, David [EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DQUIGLEY]
To: Coombs, Doriann [SMTP:DoriannCoombs@gov.nl.ca]
Cc: Morris, Joan E. [SMTP:jmorris@gov.nl.ca], Brewer, Donna [SMTP:dbrewer@gov.nl.ca], Terry, Kayla [SMTP:KaylaTerry@gov.nl.ca]
Sent: 10/24/2013 at 1:24 PM
Received: 10/24/2013 at 1:24 PM
Subject: RE: DRAFT Submission -

Doriann,

Â

Finance has reviewed this paper and there are no concerns with the submission from a financial perspective.

Â

Â

Â

David Quigley

Treasury Board Officer

Treasury Board Support

Department of Finance

Ph 2475

Â _____ Â

From: Coombs, Doriann
 Sent: Wednesday, October 23, 2013 4:10 PM
 To: Morris, Joan E.; Quigley, David; Blanche, Pauline; Stanley, Todd; Carter, Ken L; Rockett, Jenny L; Griffin, Pat; Gover, Aubrey; Harvey, Brian; Bowles, Ron; Collingwood, Jennifer; Clarke, Lesley
 Cc: King, Tracy; Brewer, Donna; Noble, Paul; Callan, Lana
 Subject: DRAFT Submission -
 Importance: High

Â

Hi there:

Â

Cabinet Secretariat is now in receipt of the above noted DRAFT Submission entitled "Muskrat Falls Project - Directives to the PUB". A signed version is expected shortly. My apologies for the compressed timeframe, however, we kindly request your comments on by noon tomorrow (Thursday, October 24, 2013). Please let me know if you anticipate any issues in meeting this timeframe.

Â

Lana, can you make this Submission accessible in SharePoint to the following Departments: FIN, JUS, CCB, PIAO, RS, LAA.

Doriann

Â

Â

Doriann Coombs, CITP

Cabinet Officer

Cabinet Secretariat, Executive Council

Government of Newfoundland and Labrador

Email: HYPERLINK "mailto:dorianncoombs@gov.nl.ca"dorianncoombs@gov.nl.ca

Telephone: 729-0966

Â

Â

Â

Â

Â

Â