

Date : 3/13/2013 9:24:17 PM

From : "Scott, Paul G."

To : "Stanley, Todd" , "Pelletier, Randy" , "McCarthy, Phil" , "McCarthy, Ashley E" , "McGrath, Rob"

Subject : FW: Fwd: Emera Sanction [IWOV-Legal.FID1640195]

Attachment : image001.gif;

---

**From:** DSturge@nalcorenergy.com [mailto:DSturge@nalcorenergy.com]

**Sent:** Wednesday, March 13, 2013 6:58 PM

**To:** Ed Martin; Bown, Charles W.; Scott, Paul G.; Auburn; James Meaney; Rob Hull; Xeno Martis

**Subject:** Fw: Fwd: Emera Sanction [IWOV-Legal.FID1640195]

**Importance:** High

As per my previous email.

Derrick

Derrick F. Sturge

Vice-President, Finance & CFO

Nalcor Energy

t: (709) 737-1292

c: (709) 690-2545

This Email was sent from a Blackberry wireless handheld. The Email, including attachments, is confidential and proprietary. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this Email in error, please notify us immediately by return Email, and delete this Email message.

---

**From:** "BALFOUR, SCOTT" [Scott.Balfour@emera.com]

**Sent:** 03/13/2013 09:16 PM GMT

**To:** Derrick Sturge

**Subject:** Fw: Fwd: Emera Sanction [IWOV-Legal.FID1640195]

As discussed

---

**From:** RENDELL, BRIAN

**Sent:** Tuesday, March 12, 2013 06:54 PM

**To:** BALFOUR, SCOTT

**Cc:** MCONIE, KENNETH

**Subject:** Fw: Fwd: Emera Sanction [IWOV-Legal.FID1640195]

Scott - see below...

---

**From:** GALLANT, Rene

**Sent:** Tuesday, March 12, 2013 06:26 PM

**To:** TOWER, NANCY; JANEGA, RICHARD; MARCHAND, BRUCE

**Cc:** RENDELL, BRIAN

**Subject:** Fw: Fwd: Emera Sanction [IWOV-Legal.FID1640195]

Fyi and for discussion on Wednesday. We should have time for a considered response and next steps.

Rene

---

**From:** Macfarlane, John [mailto:jmacfarlane@osler.com]

**Sent:** Tuesday, March 12, 2013 06:08 PM

**To:** MCONIE, KENNETH; RENDELL, BRIAN; GALLANT, Rene

**Cc:** Sebastiano, Rocco <RSebastiano@osler.com>

**Subject:** Fwd: Emera Sanction [IWOV-Legal.FID1640195]

Ken, Brian, Rene - clearly not the result we were looking for, or advocating. We'll need to chat about our response, and next steps - let me know when it would be convenient to do so. J

Begin forwarded message:

**From:** "Manzer, Alison" <amanzer@casselsbrock.com>

**Date:** 12 March, 2013 4:47:23 PM EDT

**To:** "Macfarlane, John" <jmacfarlane@osler.com>, "Rhonda.Lazarus@justice.gc.ca" <Rhonda.Lazarus@justice.gc.ca>, "Newman, Charles" <CNewman@CasselsBrock.com>

**Cc:** "Anne.Boudreau@ic.gc.ca" <Anne.Boudreau@ic.gc.ca>, "Anne.Boudreau@ic.gc.ca" <Anne.Boudreau@ic.gc.ca>

**Subject:** RE: Emera Sanction [IWOV-Legal.FID1640195]

We have continued to struggle with the resolutions and the Sanction Agreement as to whether we have sanction or only a conditional sanction which does not meet the requirement of the condition precedent until the condition is met. We have not been able to conclude that the sanction as presented meets the condition as it remains conditional on the UARB results.

If the Nova Scotia UARB does not issue a ruling that is an approval, or issues a ruling that is outside of the agreed parameters set out in the Sanction Agreement, Emera will not be obliged to proceed on the basis it has approved by the form of sanction. Rather, there will need to be a re-negotiation process completed to require proceeding and that is in Emera's discretion. In that case the previously approved resolutions will fall away and approval of the new re-negotiated arrangement would be needed in order to proceed. In other words, a different "deal" would have to be sanctioned by Emera. Given the legal requirement for the UARB ruling and that the revenue support for the project finance is dependent on that result, which is out of the control of Emera, the conditionality of the sanction is such that we cannot accept the proposition that sanction is complete until that UARB ruling has been issued. Rather, while we can accept the resolution as effective sanction subject to that condition, we must wait for the result of the UARB to finalize the sanction under this construct of the requirement for sanction.

We believe that the correct response – entry to the CP Checklist - should be:

*Canada accepts the form of the resolution as tendered however, because it reflects that the sanction remains subject to the UARB decision being issued, this condition will need to be noted as conditionally satisfied, only to be considered satisfied when the UARB decision is issued and Emera is thereby required to proceed. If a favourable ruling is not issued, the condition will only be satisfied when there is an acceptable sanction of alternate terms agreed between Emera and Nalcor and approved by the UARB or a waiver of the UARB terms provided. We do not agree that the Sanction Agreement and resolution are final sanction because the Sanction Agreement by its terms does not require Emera to proceed without a favourable UARB ruling on the stated terms or, alternatively, an agreement to be later reached between Emera and Nalcor or waivers issued as to the condition.*

I look forward to discussing this with you, but assure you we have looked at this as openly as we thought we could and could not conclude we have sanction. Fortunately the timing works for us in this a case as the condition, which is likely to be met, will occur before any scheduled financial close. I have kept this for discussion with our smaller group at this time to allow a considered discussion.

---

**Alison Manzer**

Direct: 416 869 5469 • Fax: 416 350 6938 • [amanzer@casselsbrock.com](mailto:amanzer@casselsbrock.com)  
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2  
[www.casselsbrock.com](http://www.casselsbrock.com)

---

**From:** Macfarlane, John [<mailto:jmacfarlane@osler.com>]  
**Sent:** Friday, February 22, 2013 2:37 PM  
**To:** 'Rhonda.Lazarus@justice.gc.ca'; 'Rhonda.Lazarus@justice.gc.ca'  
**Cc:** Manzer, Alison; 'Anne.Boudreau@ic.gc.ca'; Manzer, Alison; 'Anne.Boudreau@ic.gc.ca'  
**Subject:** Re: Independent Engineer Confirmation

Rhonda - Noted with thanks. In terms of your question, the Board resolution effectively authorizes the sanction of the Maritime Link Project in accordance with the terms and conditions of the Sanction Agreement. Execution of the Sanction Agreement was effective to sanction the Maritime Link. No further resolution is required. J

---

**From:** Lazarus, Rhonda [<mailto:Rhonda.Lazarus@justice.gc.ca>]  
**Sent:** Tuesday, February 19, 2013 06:10 PM Eastern Standard Time  
**To:** Macfarlane, John  
**Cc:** '[amanzer@casselsbrock.com](mailto:amanzer@casselsbrock.com)' <[amanzer@casselsbrock.com](mailto:amanzer@casselsbrock.com)>; '[Anne.Boudreau@ic.gc.ca](mailto:Anne.Boudreau@ic.gc.ca)' <[Anne.Boudreau@ic.gc.ca](mailto:Anne.Boudreau@ic.gc.ca)>  
**Subject:** Re: Independent Engineer Confirmation

Hi John - on behalf of our clients, we confirm

I have a question concerning Emera's corporate resolution. I'm afraid I don't understand how it amounts to sanction. It authorizes the entering into of the sanction agreement, but that agreement does not sanction the project. Can we expect a resolution that unconditionally sanctions the Maritime Link?

Thanks and regards,  
Rhonda

---

**From:** Macfarlane, John [<mailto:jmacfarlane@osler.com>]  
**Sent:** Tuesday, February 19, 2013 02:43 PM  
**To:** Manzer, Alison <[amanzer@casselsbrock.com](mailto:amanzer@casselsbrock.com)>; Lazarus, Rhonda; '[Anne.Boudreau@ic.gc.ca](mailto:Anne.Boudreau@ic.gc.ca)' <[Anne.Boudreau@ic.gc.ca](mailto:Anne.Boudreau@ic.gc.ca)>  
**Cc:** RENDELL, BRIAN <[Brian.Rendell@emera.com](mailto:Brian.Rendell@emera.com)>; MCONIE, KENNETH <[Kenneth.McOnie@Emera.com](mailto:Kenneth.McOnie@Emera.com)>; Sebastiano, Rocco <[RSebastiano@osler.com](mailto:RSebastiano@osler.com)>  
**Subject:** Independent Engineer Confirmation

Alison/Rhonda/Anne – this email note confirms that per your advice during today’s working group call, the engagement by Emera of MWH Global as the Independent Engineer in respect of the Maritime Link is acceptable to Canada.

Please confirm that this understanding is correct, in order that Emera can advise MWH of its appointment.

Many thanks,

John



**John Macfarlane**

416.862.4280 DIRECT  
416.862.6666 FACSIMILE  
[jmacfarlane@osler.com](mailto:jmacfarlane@osler.com)

Osler, HsSkin & Harcourt LLP  
Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8



\*\*\*\*\*

This e-mail message is privileged, confidential and subject to copyright. Any unauthorized use or disclosure is prohibited.

Le contenu du présent courriel est privilégié, confidentiel et soumis à des droits d'auteur. Il est interdit de l'utiliser ou de le divulguer sans autorisation.

\*\*\*\*\*

This message, including any attachments, is privileged and may contain confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. Communication by email is not a secure medium and, as part of the transmission process, this message may be copied to servers operated by third parties while in transit. Unless you advise us to the contrary, by accepting communications that may contain your personal information from us via email, you are deemed to provide your consent to our transmission of the contents of this message in this manner. If you are not the intended recipient or have received this message in error, please notify us immediately by reply email and permanently delete the original transmission from us, including any attachments, without making a copy.

Confidentiality Notice - The email communication is considered confidential and is intended only for the recipient(s). If you received this email in error, please contact the sender and delete the email. Unauthorized disclosure or copying of this email is prohibited.

Attachment Limits - Emera will not accept email larger than 20MB or emails containing high risk attachments like ZIP, EXE or others that could contain viruses. If you have a business need to send such an email, please contact the recipient for instructions.