

Date : 5/15/2013 2:50:59 PM

From : "McGrath, Rob"

To : "McCarthy, Ashley E" , "Parsons, Paul O" , "McCarthy, Phil"

Subject : workplan update

Attachment : NR Master Checklist.doc;

Guys,

Can we meet at 3.30 this afternoon to discuss?

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NR Checklist
 Wednesday May 15, 2013

Government of Newfoundland and Labrador

Muskrat Falls Issues List					
Issue	Timing	Process	NR	JUS	Status
FLG Conditions Precedent - Section A:					
<ul style="list-style-type: none"> Guarantee Structure- Nalcor, Emera and Canada determining structure of guarantee and issues with rating agencies 	Q1				<ul style="list-style-type: none"> Emera rating due by April 2 Form of Opinion April 22 - NL received Emera Guarantee Agreement

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<ul style="list-style-type: none"> Financing Directives – Stemming from Bill 61, an Order in Council is required to direct the PUB that all Project costs will be recovered in the rates of Island ratepayers. Bill 61 must also be proclaimed by the LGIC. 	Q1	Cabinet paper - drafted	Paul Morris Phil McCarthy Paul Parsons	Todd Stanley	<ul style="list-style-type: none"> Todd sent draft OIC for NL review on March 20 and March 21 AI: Todd re-drafting re: cost recovery March 22 Nalcor – provide wording re: Labrador AI: NL review March 22 OIC Draft OIC sent to Nalcor/MC on March 22 Nalcor – comment on March 22 draft OIC AI: NL review Nalcor’s March 28 comments AI: schedule meeting w/Nalcor April 1-3. AI: Meeting April 4 @ 4pm w/Nalcor AI: Todd re-draft OIC. Send week of April 8 April 16 sent revised OC to Nalcor April 16 NR prepared Info Note on OC April 16 NR received draft RFF and RFF presentation April 16 Nalcor sent comments on OC April 17 NR sent revised OC April 17 JUS provided comments on Info Note on OC April 23 NR sent revised OC April 25 NR sent revised OC April 26 Nalcor sent comments on OC April 29-May 1: emails between Todd and Xeno re: hard date May 1 NR sent revised OC May 7 JUS sent revised OC internally with 2018 removed; provided comments on Info Note May 7 NR sent revised Info Note internally

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<ul style="list-style-type: none"> • <i>Intergovernmental Agreement/Equity Support Agreement and Equity Support Guarantee</i>- Negotiation with Canada and counsel; Negotiation with Nalcor, Canada and counsel • <i>IGA Issues:</i> <ul style="list-style-type: none"> ○ Reciprocal indemnity ○ Government action ○ Standstill ○ Enforceability • ESA/ESG Issue: <ul style="list-style-type: none"> ○ \$95M • Canada wants ESA and ESG before IGA 	Q1	Cabinet paper	Paul Morris Phil McCarthy Rob McGrath	Todd Stanley BLG	<p>IGA</p> <ul style="list-style-type: none"> • Draft sent to NS and Canada; disc week 18 Feb • Canada will not meet or provide draft IGA to NL until NL responds to Canada's comments (March 19) • AI: NL review JW's email March 19 • JW – needs feedback from Mark/Charles • NL emailed Canada March 28. JW talk to legal counsel • AI: Canada/NL talk week of April 1 • May 1 Canada responded to NL's March 28 email; Todd to review. <p>ESA/ESG</p> <ul style="list-style-type: none"> • NR and JUS reviewed; disc w/ Finance, disc w/ Nalcor week 18 Feb, then BLG to revise draft • Q: de-link \$95M and 10 year guarantee? • AI: NL review email from Todd/Bruce/Felix March 18 • Laurie - ESG – 10 year issue (MF/LTA) • Paul M met w/ Laurie April 4 • AI: review JW's IGA email re: indemnity, unenforceability • Nalcor – provide FIN w/modeling re 1.4 • AI: Meeting April 10 @FIN 1-3 w/Nalcor • April 17 email from Scott Pelley: Nalcor will meet w/ NR and FIN for “deeper dive” into governance structure • April 19 NR sent Info Note to FIN on ESA/ESG. • FIN sent verbal comments on Info Note (when?) • April 23 NR revised and sent Info Note back to FIN • May 1 NR received revised FPA's for LCP and General; Nalcor - Oil and Gas coming week of April 29. Received May 15. • FIN – get Ministerial review • Nalcor – provide FIN with equity requirements for now and for Financial Close •

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<ul style="list-style-type: none"> • <i>Nalcor-NLH Commercial Agreements – PPA, GIA, TFA, LIL Assets</i> <ul style="list-style-type: none"> ○ Formal agreements ○ summaries 	Q1 Nalcor wants to give to Canada by May 31, 2013	Cabinet paper	Paul Morris Phil McCarthy Paul Parsons Rob McGrath Ashley McCarthy	OB BLG Randy Pelletier Meaghan McConnell	

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<i>Formal agreements</i>	June 3, 2013 (Nalcor date from May 13)	Cabinet paper	Paul Morris Phil McCarthy Paul Parsons Rob McGrath Ashley McCarthy	OB BLG Randy Pelletier Meaghan McConnell	<ul style="list-style-type: none"> • draft TFA and LIL Assets sent to NL March 11 • NL met March 19 @ MC re: TFA and LIL Assets agreements • Faskens memo re: TFA and LIL Assets sent to NL March 21 • Nalcor - draft PPA and GIA week of March 25. • AI: Review Faskens memo on LIL Assets & TFA Mar 21 • AI: Phil - comments on Interlocking Deck • NL received all agreements April 8 • AI: review all agreements • AI: set meeting with OB and MC for review of agreements • April 15 NR received draft PPA, GIA, TFA and LIL Assets • April 18 internal meeting re: LIL Assets and TFA • April 19 external meeting re: LIL Assets and TFA • April 25 external meeting re: PPA and GIA • April 26 received revised TFA • April 29 received revised LIL Assets • April 30 internal meeting re: LIL Assets • May 1 external meeting re: LIL Assets and TFA. No reps from Nalcor or NLH present • May 6 PPA and GIA external meeting for May 8 rescheduled because NL did not receive agreements in time • May 7 received revised PPA and GIA • May 9 internal meeting re: PPA and GIA @ NR 9am • May 9 NR received revised TFA and LIL Assets • May 9 - OB memo re: Issues list for PPA and GIA • May 10 external meeting re: PPA and GIA @ MC 10am • May 10 NR received meeting schedule for May/June for TFA/LIL Assets and PPA/GIA • May 15 received revised PPA and GIA • May 15 received revised meeting schedule for agreement

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Summaries					<ul style="list-style-type: none"> • AI: review BLG March 20 memo, & extracts • Extracts sent to Nalcor March 22 • AI: review Nalcor's NLA Overview. • NL met w/Nalcor March 27 re: extract comments Nalcor - redraft extracts based on March 27 meeting • AI: review March 27 revised interlocking deck • Nalcor - revised interlocking deck • AI: NL review April 2 extracts • AI: review April 2 interlocking doc • AI: NL review April 9 summaries • April 17 NR received draft summaries • April 18 NR internal Info Note • April 29 NR circulated summaries for internal comments • April 30 circulated summaries to Nalcor • Nalcor sent comments on April 30 • May 6 NR sent summaries and comments to Nalcor (Phil's email) • Nalcor - comment on NL versions from May 6 • May 13 John Green said need to clarify discussions from last Friday on default and remedies; talk to Rob H on May 14 but he was not on the call • May 14 Cassels - as time goes by, benefit is getting lost; send agreements ASAP • May 14 - Summaries are off (Phil's email)

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Lands Bill (Bill 60)	Q1 – March 31, 2013	3 Cabinet papers	Paul Morris Rob McGrath Ashley McCarthy	Chris Quigley Todd Stanley	<ul style="list-style-type: none"> NR sent letter seeking other Depts draft w/ JUS and Leg Counsel AI: drafting instructions to Leg Counsel? AI: instruct depts. to write cabinet papers
<ul style="list-style-type: none"> SOBI and Possible Amendments – issues: <ul style="list-style-type: none"> Lease or statutory easement? Joint or single documents? Legislation or Transfer of Admin and Control? 	Q1	Cabinet paper Information Note	Paul Morris Rob McGrath Ashley McCarthy	Chris Quigley Meaghan McConnell	<ul style="list-style-type: none"> Disc started w/ Canada; Call March 21 AI: Crowns to meet before April 11 meeting AI: Call April 11 230pm AI: Review B7 and mention at FLG call At a standstill: Auburn’s email to NR May 7. Charles talk to Mark Corey

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<ul style="list-style-type: none"> • Regulations: <ul style="list-style-type: none"> ○ Interim Regulations for Expropriation ○ Statutory Easement and Expropriation Protocol Regulations • Proclamation - same time as regs 	Q1	Cabinet paper	Paul Morris Rob McGrath Ashley McCarthy	Chris Quigley Todd Stanley	<ul style="list-style-type: none"> • Met w/ Nalcor March 19 - negotiations in progress w/ CFLCo; offer made. Next CFLCo meeting May 25. • Nalcor - clarify B7 • AI: JUS meeting with Leg Counsel April 1 for exp regs • Regulations drafted. Now w/ Leg Counsel • April 15 Nalcor memo to Canada re: need for interest in SOBI for LIL • April 15 NR received letter re: MF southside access road extension EA approval • April 24 JUS circulated statutory easement draft internally • May 1 NR circulated interim regs cabinet paper • May 1 cab sec provided comments • May 1 NR change paper to Decision Note • May 2 NR responded to cab sec comments • May 2 John Cooper sent initial comments: need exp protocol before they can do anything; said more to come. • Nalcor/MC has seen draft interim regs and draft statutory easement • May 7 - CFLCo Board meeting moved to June 17 but want materials by May 24 • May 10 - email from David Jones re: names for arbitrational panel • AI: review Faskens comments on Statutory Easement. John Cooper indicated he was not sure he agreed with the comments and that the comments are not official LCP comments • JUS - revised statutory easement to Nalcor

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<p>Emera Exemption Request Exemptions are required from the Public Utilities Act and the Electrical Power Control Act to provide clarity around the NL PUB's jurisdiction over portions of the Maritime Link (i.e. for reliability purposes) and the aspects of the Maritime Link that the PUB will not have jurisdiction over (i.e. for purposes of cost recovery). This is in support of Emera's filing with the UARB.</p>	Q1	Cabinet paper Consult w/ PUB	Paul Morris Phil McCarthy Rob McGrath Paul Parsons	Randy Pelletier Meaghan McConnell Geoff Young (NLH)	<ul style="list-style-type: none"> Letter from NR to UARB confirming exempt Emera from legislation. Disc w/ Emera to restart soon AI: Schedule internal meeting Emera - policy doc between Nalcor and Emera re: Bottom Brook week of March 25 AI: contact Brian Rendell Discussions going with Brian Rendell re: abandonment and EPCA exemptions Meeting April 16-May 1?

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<p>Emera Agreements Amendments Amendments are being made to Commercial Agreements as a consequence of early sanction. ML(N)TSA, IOA, MEPCO TRA, NSTUA, NBTUA, MLJDA, Supplemental Agreement, ECA, MLETSAs, NLDA and JOA.</p> <p>Received to date:</p> <ol style="list-style-type: none"> 1. MLNTSA, IOA, MEPCO TSA, NSTUA, NBTUA – due Mar 27 2. MLJDA, Supplemental Agreement – due April 2 3. ECA, MLETSAs, NLDA 4. JOA – due April 5 	<p>April 15, 2013 Date chosen by Nalcor and Emera</p>	<p>Letters from OB & Nalcor stating amendments in accordance w/ Sanction Agreement</p>	<p>Paul Morris Phil McCarthy</p>	<p>Randy Pelletier OB</p>	<ul style="list-style-type: none"> • AI: review March 21 drafts from Nalcor by March 27 • AI: review March 25 drafts of MLJDA and Supplemental by April 2 • AI: review March 27 drafts of ECA, MLETSAs and NLDA • AI: review April 3 draft of JOA by April 5 • Nalcor – remaining drafts coming March 26 • Nalcor – JOA to come. Sent April 3 • NL meet with OB April 4 @130 • AI: meet w/ Nalcor by April 4 • NL told Rob Hull on April 5 we need letter from OB and Nalcor (Wayne Chamberlain) stating in line w/agreements • Nalcor – provide letter • Nalcor - MLJDA – definition of sanction is still in square brackets • AI: review Beth’s April 5 letter • Phil emailed Rob Hull April 5 re: need for letter, NTD’s and unresolved issues. NL needs to see final agreements before sign off. • Advised Nalcor of need for letter from officer April 18 • April 19 received draft agreements from OB; proposed signing date April 26 • Received requested letters from Nalcor and OB April 24 • Advised April 29 that execution date changed to April 30 • Advised date changed to May 9, date has been extended since. What is the date?

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Naming Directors for Nalcor Subsidiaries Requirement to appoint independent directors to the Nalcor subsidiaries responsible for Muskrat Falls. Minister will be required to advise on potential names for directors.	Q1	Cabinet paper	Paul Morris Rob McGrath		<ul style="list-style-type: none"> NR directed to do Cab Papers; process to be determined AI: check OC on subsidiaries NR met w/ Peter Hickman March 13 AI: need the list of names Q: what companies? How many names per company? Received updated Org Chart from Nalcor April 15 Revised chart received April 16 Nalcor talk to Ed by May10 re: 3 names for 5 subs. Meeting rescheduled to May 14. NL – provide 2 names for 5 subs
System Operator / Reliability Coordinator Government approval of the structure outlined in the Emera Agreements, which will be used as assumptions for the Nalcor-NLH Agreements. Also, an established system operator structure is desired for Nalcor's dealings with Hydro-Quebec. Need further clarity from Nalcor on what exactly is required and when.	Q3	Cabinet paper	Paul Morris Paul Parsons	Randy Pelletier	<ul style="list-style-type: none"> AI: NR, Nalcor and JUS confirm requirements AI: check timing issue re FERC accreditation at March 26 meeting NL met w/ NLH on March 26; will meet regularly
Labour Issues Still may be an outstanding issue related to the Special Project Order. The Labour Relations Agency will likely take the lead on this cabinet paper with NR in support.	Q3	Cabinet paper	Paul Morris Rob McGrath	Jim Maher (LRA) Todd Stanley	<ul style="list-style-type: none"> NR engaged w/ LRA & Nalcor. 3 collective agreements signed Q: Statutory amendment for Fall?

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<p>Project Oversight/Independent Engineer/Funding Protocol Agreement As per Cabinet directive, need to finalize a cost accounting protocol that includes an independent process to review costs associated with the Project to determine reasonability and prudent spending. NR to consider requirements for pre-financing oversight, along with Nalcor corporate governance model. Want the IE to certify that equity was spent properly pre October 1.</p>	Q3	Cabinet paper	Paul Morris Phil McCarthy Paul Parsons Rob McGrath Ashley McCarthy	Randy Pelletier Todd Stanley	<ul style="list-style-type: none"> • NR met w/Nalcor Marh 7 • NR Direction Note w/ DM. • NL/Nalcor March 20 meeting • Nalcor/Canada/NL due diligence March 18 w/MWH • Meeting March 25 930 w/Nalcor @ NR • Q: Can IE serve oversight purpose before October? • Nalcor Governance Model draft completed • Meeting March 26 330 w/Nalcor @ NR • Nalcor – waiting on Canada for date w/MWH • Nalcor received reliance letter March 25 – review • Met March 27 230 w/Nalcor @ NR • Nalcor – talk to team and report to NL on what IE could do during equity era. Send final contract for IE. Respond to April 2 email from Rob • AI: meeting April 11 @ 130 w/Nalcor and FIN • Laurie – comments on FPA • Laurie – options for managing equity risk • Q: is there a budget for equity injections post October 1? • Nalcor - options for reporting requirements under FPA. To Nalcor by March 28; to NR after Easter. • AI: meeting April 11 @ 130 w/Nalcor and FIN • May 7 NR sent revised FPA internally • May 7 NR sent revised Info Note w/ equity numbers internally • Nalcor – owes internal processes and controls • Call w/ FIN, NR, JUS and Nalcor May 9 @ 10am re: outstanding info from Nalcor. Rescheduled to May 28 1-3pm.

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RFP - Financing Structure For lead arranger to organize financing.					<ul style="list-style-type: none"> Nalcor - complete and provide draft RFP AI: meet w/Nalcor April 12 Nalcor - meet w/Canada April 5? Nalcor says now between Charles and Mark Corey
Nalcor Board Resolutions on Sanction					<ul style="list-style-type: none"> Nalcor - follow up; working on it NR - provide provincial authorization: status of letter? Nalcor - confirm receipt of Robert's letter (sent early May)
Emera Board Resolution on Sanction					<ul style="list-style-type: none"> Received Board Resolution re: Maritime Link Sanction on April 10
Transmission Regime - agreements between NLH and Nalcor; demonstrates NLH's transmission rights in NL. Canada may want to know the form of the System Operator which is referenced in the NLH agreements although it is not part of the FLG CP list.	May 31, 2013				<ul style="list-style-type: none"> TOA, PPA and AIA working towards May 31, 2013 deadline Remaining agreements to come; Nalcor working on updated list.; ready for Financial Close

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<p>Financing Due Diligence Requirements for 1 October (FLG Section B)</p>					<ul style="list-style-type: none"> • Canada - send revised due diligence checklist; working on it (March 26) • Canada has new list then to group (April 2) • NL received new CP and DD checklists April 8 but sent to the group (minus NL) on April 2. • AI: review CP and DD lists • NL received new CP list April 15 • Nalcor - has revised list from Jenny for review then circulate by May 17
<ul style="list-style-type: none"> • <i>Things to watch:</i> <ul style="list-style-type: none"> ○ LIL EA ○ ML EA ○ UARB Filing ○ Emera Sanction ○ Aboriginal Issues 					LIL EA - cabinet paper in system to release LIL from EA
					ML EA - Monitoring
					UARB Filing - Emera filed with UARB January 28, 2013. Have 6 months to make decision.
					AI: Emera Sanction - Charles meet w/ Mark Corey
					April 25 Canada dismissed second application for judicial review