CIMFP Exhibit P-04314

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Natural Resources March 26, 2018

Government Adopts Open Access Framework for Transmitting Electricity

A Bill to Amend the Electricity Power Control Act, 1994 and the Public Utilities Act went to second reading today in the House of Assembly. Amendments are to adopt an open access transmission framework for the province's high-voltage electricity transmission system.

The open access transmission framework is necessary as the province becomes fully interconnected with the North American grid. The island portion of the province will be connected to Labrador via the Labrador-Island Link and to Nova Scotia via the Maritime Link.

An open access transmission regime is an important component of broadening participation in both import and export electricity markets. With these new transmission connections, Newfoundland and Labrador will have the ability to transmit power directly to the Maritimes and beyond including the northeast United States. Access to these markets can provide additional options for rate mitigation through export sales and off-island purchases.

The Newfoundland and Labrador System Operator, a division of Newfoundland and Labrador Hydro, will be designated as the system operator and will be responsible for providing reliable operation of the province's high-voltage transmission system and open, non-discriminatory and non-preferential access to service on the system. It will also be responsible for providing same-time information in respect of this system.

The Public Utilities Board will have independent regulatory oversight of the open access transmission regime and a process for resolving transmission system participant concerns.

The province's open access transmission framework is consistent with the principles of open transmission access adopted by the US Federal Energy Regulatory Commission (FERC) and enables Newfoundland and Labrador to satisfy requirements regarding transmission access and electricity market participation, including provisions of the Canadian Free Trade Agreement.

Quote

"Our open access transmission framework will allow for transmission access through neighbouring jurisdictions as we connect to the North American grid and is consistent with the principles adopted by US Federal Energy Regulatory Commission. The framework will allow for our province to have direct access to electricity markets beyond our borders." Government Adopts Open Access Framework for Transmitting Electricity

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Honourable Siobhan Coady Minister of Natural Resources

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Government of Newfoundland and Labrador Joins Federal, Provincial and Territorial Governments to Release the Canadian Free Trade Agreement - <u>gov.nl.ca/releases/2017/exec/0407n04.aspx</u>

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