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Summary:

NALCOR ANNOUNCEMENT: "Dwight Ball", Liberal Leader first of all gives a shout out to the organizers of Expo Labrador because it was a wonderful event.

Friday, June 27, 2014 11:25AM Item # 13

VOCM - St. John's

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PADDY DALY: Welcome back to the show. Let's go to line number ten and say good morning to the Liberal Member for Humber Valley, the leader of the official opposition, Liberal Dwight Ball. Good morning, Dwight, you're on the air.

LIBERAL LEADER DWIGHT BALL: Good morning, Paddy. How you doing?

PADDY DALY: I'm doing fine. Just having a hard time finding the right button there.

LIBERAL LEADER DWIGHT BALL: All right.

PADDY DALY: Welcome to the program.

LIBERAL LEADER DWIGHT BALL: Yeah great to be here, Paddy. Just got back from Labrador yesterday. I want to first give a shout-out to the Labrador North Chamber of Commerce for the Expo Labrador, what a great job they did discussing many issues, of course, affecting Labrador, and one of which has been I guess the topic of your show this morning, quite a bit of that anyway. I got bits and pieces of it. But of course, the Muskrat Falls Project. So Paddy, if I could just to get into this and just to respond to the latest update yesterday from Nalcor and of course, you know, all updates to date that we've received on this has meant one thing is that the price of the project has gone up and from back in 2010 I think you mentioned on your show this morning around 5 billion up to around 7 billion now. We need to keep in mind too that only 5 billion of this is covered by the federal loan guarantee and also that this takes the project now when you add the Emera Maritime link to about 8.5 billion. And of course, there is, that's before we get any updates from Emera. So I guess we'll anticipate even more increases once that comes in and there is a responsibility there as you know if indeed that line is, the costs go up here as well. So two other things that were mentioned is the, the offsets, about new revenue, about

100 million. I did not hear any mention of a contract at all. I think this was just based on what we'd anticipate spot market prices to be sometime post 2017.

PADDY DALY: Uh-hum.

LIBERAL LEADER DWIGHT BALL: And where that extra, where that excess revenue would go. So, you know, Paddy, right now yesterday I see this as really continuing to see costs on this project increase. I would gather based on the 90 percent of the fixed cost in that our commitment right now is about 6.3 billion to this project.

PADDY DALY: Ah yeah the costs are a major concern because I mean whatever the costs are in the billions will be reflected on my hydro bill. A couple of things, is it the firm Liberal policy that when and if you form the government in 2015, all the revenue from excess power sale will go to offset my bill?

LIBERAL LEADER DWIGHT BALL: Yeah back about two years ago . .

PADDY DALY: Yeah.

LIBERAL LEADER DWIGHT BALL: . . . we've been saying, we've been saying this for the a number of years. In fact, you and I, I believe have had this discussion a few times on this.

PADDY DALY: Uh-hum.

LIBERAL LEADER DWIGHT BALL: Yes we do, that's the position that we take and I've made it quite clear that simply because it was paying the price there. We know that there's only one payer, these are the ratepayers in the province of Newfoundland and Labrador. So with that said, you know, the excess revenue would go back to offset electricity rates ah pretty undetermined how that would all unfold right now given the fact that, you know, we're going see seniors, we're going see low income families that are going find it very difficult if we continue to see the rate increases. I think that Minister Dalley said this morning that it'll be about 16.4 cents per kilowatt hour. But what we know is that is the actually floor because we will get for the next 50 years a minimum of a two percent increase every year after that. And on top of that, of course, we'll get, you know, whatever Newfoundland Power brings to us at their cost as well. So yes, what we said as a policy, as a position, you know, from the Liberal Party is that it would go to offset electricity rates.

PADDY DALY: And a question being posed by the newsroom and I've heard you speak to this already in the past though, if and when once again you're in the seat of the government next year does anything change with the Muskrat Falls Project? I know you said intend, or enhanced oversight in those type of project management issues. But the project proceeds as a structure today.

LIBERAL LEADER DWIGHT BALL: You know, what we're in this based on what I see here this morning, 90 percent of the contracts awarded or ah, or I guess negotiated, so if you just, you know, by extension it would lead you to believe that there's about a \$6.3 billion commitment to this project, you know, Paddy, that's a significant commitment here and we still have to determine how we would, if we just shut this down today and it did not produce one kilowatt of power, we have to decide well how do we actually put reliable power in place for the future of Newfoundlanders and Labradorians. So getting out of the project here without any costs would be very difficult but we really don't know what the exit costs would be. Nalcor nor government have mentioned that number. So we don't know if it would cost us, you know, 2 million, 2 billion to get out, 4 billion, who knows. But what we do know is it should be around 6.3 billion which is a significant commitment right now and a project that's well underway.

PADDY DALY: So no turning back though right. I mean . .

LIBERAL LEADER DWIGHT BALL: No.

PADDY DALY: . . . you're going examine the cost to get out and cease the project but is that actually a reality to where you might actually stop the project or is that politically not in play?

LIBERAL LEADER DWIGHT BALL: I mean you can't be silly here. And let's face it \$6.3 billion it's, that's a big commitment and I see that we're into this right now, ah the big thing for me as I've said, this as I spoke to the group in Happy Valley-Goose Bay on Tuesday morning is that it's critical that we get this right because right now what it does, if we, if we mess this up and we don't get, if we see significant cost overruns coming in here, well what it would do is it would destroy the confidence of Newfoundlanders and Labradorians to support any other megaprojects, you know, in the province right now. So it's critically important that we put the best monitors that we can in place to make sure that we get this right so we don't see, you know, exorbitant rates for people of Newfoundland, Newfoundland and Labrador. We have to be competitive, you know, for our low income families, our seniors and indeed as a place to do business here. So it's extremely critically important that we get this project right.

PADDY DALY: Ah you've had the last word this morning, Mr. Ball. I appreciate your time, Sir.

LIBERAL LEADER DWIGHT BALL: Thank you, Paddy.

PADDY DALY: Take care. Bye-bye.

LIBERAL LEADER DWIGHT BALL: Bye-bye.

PADDY DALY: Liberal Member of the House of Assembly for Humber Valley and the

leader of the Liberal Party provincially, Dwight Ball.