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nalcorenergy.com

November 12, 2019

VIA EMAIL

s. 40(1)

Attention:

[REDACTED]

Dear

[REDACTED]

s. 40(1)

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act, 2015* (File #: PB/770/2019)

On October 11, 2019, Nalcor Energy received your request for access to the following records/information:

NEM for the six months ended 2019:

- 1/a/ *Why did energy sales drop to \$15.2M from \$27.6M?*
 - b/ *Was there increased power demand in Labrador in 2019 compared to 2018?*
 - c/ *Re 1/ b if so, why, and will this represent permanent Labrador demand increase for future winters?*
- 2/ *Why a loss of (\$2.1M) - was \$4.2M profit (2018)?*
- 3/ *Does this suggest lower export revenue for future sale of excess MF power?*

Please note that there are currently no records responsive to parts 1(b), 1(c), and 3 of your request. Please see Appendix A, attached hereto, for the responses relating to parts 1(a) and 2 of your request.

It is the goal to publish this letter following a 72 hour period after it is sent electronically to you or five business days in the case where the letter has been mailed to you.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (*the Act*). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner

2 Canada Drive

P. O. Box 13004, Stn. A

St. John's, NL. A1B 3V8

Telephone: (709) 729-6309

Toll-Free: 1-877-729-6309

Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

If you have any further questions, please feel free to contact the undersigned by telephone at (709) 733-5346 or by e-mail at granthiscock@nalcenergy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Grant Hiscock". The signature is stylized and somewhat cursive.

Grant Hiscock
Access and Privacy Officer

Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.

Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner's refusal under subsection 45(2).

Appendix A: Responses

1(a) Why did energy sales drop to \$15.2M from \$27.6M?

Information responsive to this part of your request can be found in the publically available 2019 Q2 Financial Report for Nalcor Energy:

<https://nalcorenergy.com/wp-content/uploads/2019/08/Nalcor-Con-Q2-2019-and-MDA-Final-2.pdf>

For your reference, we have attached the relevant page from the 2019 Q2 Financial Report that is responsive to your request. Please see the “Revenue” note in the attached “Interim Management Discussion & Analysis” section of the Q2 Financial Report.

(2) Why a loss of (\$2.1M) - was \$4.2M profit (2018)?

Please see the response for 1(a), above.

INTERIM MANAGEMENT DISCUSSION & ANALYSIS

Operating costs

Operating costs for the three and six months ended June 30, 2019 were comparable to the same period in 2018.

Depreciation and amortization

Depreciation and amortization for the three and six months ended June 30, 2019 was comparable to the same period in 2018.

Net finance income

Net finance income for the three and six months ended June 30, 2019 was comparable to the same period in 2018.

Preferred dividends

Preferred dividends for the three and six months ended June 30, 2019 were comparable to the same period in 2018.

ENERGY TRADING

The revenue and (loss) profit in this segment is derived primarily from the sale of available Recapture, the block of 300MW of firm energy and capacity pursuant to the Power Contract which Churchill Falls has agreed to sell and deliver to Hydro Regulated. A portion of the total 300MW of firm energy available is surplus to the needs of Hydro Regulated, at times, and is sold to markets and customers in eastern Canada and the northeastern United States. Energy Trading also focuses its efforts on optimizing market opportunities, on behalf of Hydro Regulated for which Energy Trading does not currently realize a profit, to displace fuel consumption at the HTGS.

Financial Highlights

<i>For the periods ended June 30 (millions of Canadian dollars)</i>	Three months ended			Six months ended		
	2019	2018	Variance	2019	2018	Variance
Revenue	8	13	(5)	15	28	(13)
Power purchased	2	2	-	4	3	1
Operating costs	2	2	-	3	3	-
Transmission rental and market fees	6	6	-	13	12	1
Other income	(1)	-	(1)	-	-	-
(Loss) profit for the period	(1)	3	(4)	(5)	10	(15)

Revenue

Revenue for the three months ended June 30, 2019 was \$8 million, a decrease of \$5 million compared to the same period in 2018. Revenue for the six months ended June 30, 2019 was \$15 million, a decrease of \$13 million compared to the same period in 2018. The decrease for the quarter and year-to-date was primarily due to lower energy volumes available to export as a result of Hydro Regulated utilizing Recapture energy to service Island requirements in the first quarter and a portion of the second quarter of 2019 combined with lower average export electricity prices.