

1 Q. The proposed Water Management Agreement contains articles that are not  
2 referred in the Table of Concordance. Please confirm, for each of those articles,  
3 whether it has the potential to promote or detract from the achievement of the  
4 objectives set out in section 3(b)(i) of the *EPCA* and in the *Water Management*  
5 *Regulations*, and explain why. Provide specific references and evidence detailing  
6 options considered, analyses undertaken, and reasons for decisions.

7 A. As noted, CF(L)Co's response to Nalcor's application contained a revised table of  
8 concordance which included additional provisions of the WMA intended to facilitate  
9 the achievement of the objectives detailed in section 3(1) of the Regulations and  
10 3(b)(i) of the EPCA. These additional provisions were discussed in response to the  
11 Board's Information Request (IR) PUB-CF(L)Co-1. What follows is a discussion on  
12 those provisions which were not referred to in CF(L)Co's revised table of  
13 concordance and therefore not addressed in IR PUB-CF(L)Co-1.

14 Again, it is noted that this analysis is provided for the purpose of assisting the Board  
15 in assessing the extent to which the draft WMA promotes the objectives of the  
16 EPCA and the Regulations. It should not be taken as determinative of any issue that  
17 may arise between the parties on implementation, application or interpretation of a  
18 WMA.

<b>WMA ARTICLE</b>  <b>NOT IN TABLE OF</b>  <b>CONCORDANCE</b>	<b>DISCUSSION ON WHETHER THIS WMA HAS THE POTENTIAL TO PROMOTE OR DETRACT</b>  <b>FROM THE ACHIEVEMENT OF THE OBJECTIVES SET OUT IN SECTION 3(b)(i) OF THE EPCA</b>  <b>AND IN THE REGULATIONS, AND WHY</b>
1.1: Definitions	All defined terms appearing in the Regulations were reproduced in the WMA. Other definitions were added as useful or necessary to clarify essential elements of the WMA, and to facilitate its interpretation and administration, in furtherance of the objectives of the EPCA. In CF(L)Co's view, there is no potential for these additional provisions to detract from such objectives.

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1.2, 1.3, 1.4, 1.6, 1.7 and 1.8: Standard Interpretative Provisions	The interpretative provisions at article 1.2 (sections and headings), 1.3 (number, gender and persons), 1.4 (entire agreement), 1.6 (successors and assigns), 1.7 (severability), and 1.8 (amendment and waivers) were added as standard provisions useful or necessary to facilitate the interpretation and administration of the WMA, in order to achieve the objectives of the EPCA. In CF(L)Co's view, there is no potential for these additional provisions to detract from such objectives.
4.1: WMC Appointment	As noted above with respect to article 5 of the WMA and in the Board's IR PUB-CF(L)Co-4 below, the WMC plays an important role in ensuring that the policy objectives set out in the EPCA and the Regulations are met and that adverse effects on existing power supply contracts are avoided. Appointment of a WMC will therefore promote the achievement of the objectives of the EPCA.
4.3(b): Joint Sharing of IC Costs	Subsection 3.(2)(a) of the Regulations provides that to "obtain" the objectives of the Regulations, the WMA shall require that suppliers jointly and sufficiently fund the administration of the IC in proportion to the energy benefits obtained by each supplier from the administration of the WMA. Article 4.3(a) of the WMA provides for such requirement. Article 4.3(b) describes certain of the IC administration costs that are anticipated. 4.3(b) is consistent with the Regulations and therefore has no potential to detract from the objectives of the EPCA.
4.7(b): Delivery Requirements	Article 4.7(b), which states that Suppliers must provide their delivery requirements, is consistent with subsection 3.(2)(b)(i) of the

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to IC	Regulations, and contains additional detail as to when such information is to be given and for what periods. In CF(L)Co's view, there is no potential for these additional provisions to detract from such objectives.
4.7(c): Changes to Delivery Requirements	Article 4.7(c) further clarifies the obligation to provide the information required under subsection 3.(2)(b)(i) of the Regulations, but allows modifications to Delivery Requirements under the WMA if necessary to fulfill obligations under a PPC, thus ensuring that PPCs are not adversely affected. This additional provision promotes the objectives of the EPCA.
6.1: IC Appointment	Article 6.1 of the WMA provides for the appointment of the IC. This is consistent with the definition of the IC in the Regulations. This article therefore promotes the objectives of the EPCA.
6.4: Liability Insurance	Liability insurance is one of the IC administration costs contemplated by subsection 3.(2)(a) of the Regulations. This is a protection for the parties and the IC, should an error by the IC result in damages to suppliers.
7.1(h): Modifications to Annex "A"	Annex "A" of the WMA provides the methods and formulas to calculate Energy Benefits and to account for energy losses, including transmission losses. This is consistent with the requirement of subsections 3.(2)(j) and (l) of the Regulations requiring mechanisms to assign energy storage, energy losses and calculate appropriate adjustments. Modifications to Annex "A" may be necessary from time

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	to time, particularly in light of knowledge and information which may be available or acquired only after the construction of Nalcor's facilities and commencement of scheduling by the IC. However, changes to Annex "A" shall not adversely affect a PPC or conflict with any provision of the WMA, the Regulations or the EPCA. In CF(L)Co's view, there is no potential for these additional provisions to detract from such objectives.