



Hydro Place, 500 Columbus Drive,  
P.O. Box 12400, St. John's, NL  
Canada A1B 4K7  
t. 709.737.1400 f. 709.737.1800  
[www.nlh.nl.ca](http://www.nlh.nl.ca)

June 28, 2022

VIA EMAIL

Attention: [REDACTED]

Dear [REDACTED]

**Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act, 2015* (File #: PB/539/2022)**

On May 31, 2022 Newfoundland and Labrador Hydro, Nalcor Energy Marketing Corporation and Churchill Falls (Labrador) Corporation Limited received your request for access to the following records/information:

*Costs related to the splitting of Nalcor and Hydro in 2016, including but not limited to payroll, branding, and public engagement.*

Please see Appendix A attached hereto for the information that is responsive to your request.

In keeping with our standard practice, it is our intention to post this letter on the Newfoundland and Labrador Hydro website.

Please be advised that you may ask the Information and Privacy Commissioner to review your appeal should identify your concerns with the request and why you are submitting the appeal the processing of your access request, as set out in section 42 of **the Access to Information and Protection of Privacy Act, 2015** (the Act) (a copy of this section has been enclosed for your reference). 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.

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  
Email: [commissioner@oipc.nl.ca](mailto:commissioner@oipc.nl.ca)

You may also appeal directly to the Supreme Court 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 has been enclosed for your reference).

If you have any further questions, please contact me by telephone at (709) 725-4859 or by email at [cassandrahearn@nlh.nl.ca](mailto:cassandrahearn@nlh.nl.ca)

Sincerely,

*Cassandra Hearn*

Cassandra Hearn  
Access & 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

In 2016, a plan to reorganize Hydro was announced which resulted in the creation of a dedicated and separate executive team for Hydro and established separate support functions for Hydro. Hydro's 2017 Forecast operating costs reflect the outcome of these changes. Operating costs in 2017 are forecast to be \$10.4 million higher than 2016 actual costs. The primary drivers of the increase are labour costs of \$4.0 million, other operating costs of \$3.3 million, including consulting, insurance, and other costs, as well as an increase of \$2.4 million in cost allocations associated with Information Systems and other costs. (GRA 2017, VOL I. Pp 3.34. Footnote 72, paragraph 3)

Labour related costs of \$75.2 million in the 2019 Test year are on par with the 2015 Test Year as submitted. This results from: (i) increased capital labour of \$4.0 million; (ii) a transfer of staff from Hydro to Nalcor which resulted in labour cost reductions of \$4.0 million; offset by (iii) structural salary increases of \$3.8 million; (iv) increases of \$2.3 million in costs associated with changes in FTEs; and (v) an increase of \$1.3 million in fringe benefits and other salary costs. Employee future benefit costs decreased due to changes in actuarial assumptions that impacted the cost base. (GRA 2017, VOL 1. 3.36).

There was an increase in Full Time Equivalents (FTEs) as a result of the split, please see the link provide below. In the Board Order P.U. 16(2019), the Board did not approve full recovery of Hydro's increased costs. The Board stated "...the Board is satisfied that the 2018 and 2019 test year operating costs should be reduced by an additional \$4.0 million dollars." These costs were removed in determining customer rates. Therefore it is uncertain how much, if any of the additional costs incurred as a result of Hydro's restructuring are being recovered from customers. Please see link provided below.

As per **Section 22(a)** of the Act:

**The head of a public body may refuse to disclose a record or part of a record that is published and is available to the public whether without cost or for purchase.** Please see the following records are responsive to your request and are publically available in the link below.

PUB Order No. P.U. 16(2019):

<http://www.pub.nf.ca/orders/order2019/pu/PU16-2019.pdf>

NLH 2017 General Rate Application - Volume I - Revision 5 - 2018-07-04.PDF:

<http://www.pub.nl.ca/applications/NLH2017GRA/applications/NLH%202017%20General%20Rate%20Application%20-%20Volume%20I%20-%20Revision%205%20-%202018-07-04.PDF>

(Pages 81-84)

Hearing Transcript Newfoundland and Labrador Hydro 2017 General Rate Application July 24, 2018:

<http://www.pub.nl.ca/applications/NLH2017GRA/additionalfillings/PUB%20-%20July%2024,%202018.pdf>