

1 Undertaking Request (U-8)

2 Transcript Reference: Pg. 141, line 6 to Pg. 142, lines 9-18

**3 Undertake to provide Emera's shareholdings in Muskrat Falls (Labrador-Island Transmission
4 Link).**

5

6 Undertaking Response

**7 Nalcor Energy has, and will retain, full control of the Labrador-Island Link (LIL) with Emera
8 Inc. being an investor providing equity funding in the form of partnership capital account
9 contributions to the LIL Limited Partnership (LIL LP).**

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**11 Under the LIL arrangements with Emera, as outlined in the Newfoundland and Labrador
12 Development Agreement and the LIL Limited Partnership Agreement (available on the
13 Muskrat Falls website), Nalcor and Emera are each entitled to contribute a portion of the
14 equity capital required to fund the LIL construction costs along with the debt guaranteed
15 by the Government of Canada.**

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**17 As outlined in these agreements, the percentage of the LIL LP capital account that Emera is
18 permitted to contribute will vary over the period of the LIL construction from Muskrat Falls
19 Project sanction in December 2012, following financial close in December 2013, and
20 through to final completion and in service of the LIL project.**

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**22 It is estimated that Emera's contributions will represent approximately 51% of the LIL LP
23 capital account upon completion of the LIL. This is based on: 1) the cost of the LIL included
24 in the project estimate from June 2017; 2) Emera's current estimate for the cost of the
25 Maritime Link; and 3) total debt for the Muskrat Falls generation project, Labrador
26 Transmission Assets, and the LIL that benefits from a federal loan guarantee from the
27 Government of Canada.**