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The chorus for public disclosure on Lepreau

Carl Davies

'Enormous sums, enormous risks' involved in retrofit of New Brunswick's nuclear reactor

The chorus to make public the province's \$1.4-billion contract to refurbish the Point Lepreau nuclear reactor is growing louder.

Last week, Ombudsman Bernard Richard ruled the Telegraph-Journal should have access to the details of the \$1.4-billion contract between the province and Atomic Energy Canada Ltd. (AECL) to refit the aging nuclear facility, located on the shore of the Bay of Fundy west of Saint John.

To date, the province has refused to release the contract and a number of documents relating to the deal requested under the Right to Information Act.

But Richard says the government should release documents that include high-level briefing notes, correspondence between the CEOs of NB Power and AECL, a negotiating strategy document, and a power-point presentation that relate to the contract.

Tom Adams of Energy Probe, a well-known opponent of the Lepreau refurbishment, said the track record of AECL for delivering projects on time and on budget is "very poor." He cited the original construction of Lepreau and the construction and refit of the plant in Pickering, Ont. as examples.

He said in those cases, the cost to taxpayers was much greater than originally anticipated.

"All eyes are on this contract to see what's different this time around," Adams added.

Ken Rubin, a well-known Ottawa-based public interest researcher and crusader for more open access to government documents applauded Mr. Richard's decision.

"The cost should be known," Rubin said.

"That's kind of basic information. It's going to cost the taxpayers.

"People should know what's happening. People have to know what's at stake, what's involved."

Rubin said it's particularly important that people have as much information as possible about the Lepreau refit, which is the most expensive project in decades for NB Power, a utility already carrying a debt load of approximately \$3.8 billion.

"There's enormous sums here and enormous risks," Rubin said.

When the deal was announced in 2005, Premier Bernard Lord acknowledged there was more risk involved than another option being considered to have a private partner Bruce Power manage the project.

That option would have cost more up front but there would have been much less risk to the taxpayers.

The premier said at the time he had confidence in NB Power and AECL to deliver the project on time and on budget.

How much taxpayers would be on the hook for beyond the \$1.4 billion if there are glitches in the refurbishment is unclear.

Without providing details of the contract, NB Power CEO David Hay estimated there was \$70 to \$100 million more protection for the province under the current deal than there had been under a previous deal that had been rejected by the Public Utilities Board three years beforehand.

AECL will pay penalties if the project is not completed by August 2009.

The exact amount of those penalties is unknown, but it will not cover all the cost of buying replacement power if Lepreau is not online.

The biggest concern for New Brunswick taxpayers is how well the plant works after completion of the refurbishment.

AECL is offering up no performance guarantees for what is the first project of its kind.

If the plant doesn't perform up to expectations, taxpayers and or ratepayers will have to foot the bill.

If the project comes off without a hitch and the plant works as expected, NB Power estimates rates will be 4.5 per cent cheaper than they would be if Bruce Power was involved in the deal.

On Monday, NB Power spokesman Brian Duplessis said the information has not been released because of a confidentiality clause in the contract with AECL.

He said it is up to the provincial government and not NB Power to decide whether to release the documents as ordered.

Energy Department spokesman Marc Belliveau said officials were still considering the ombudsman's ruling on the Lepreau documents.

Belliveau was unable to say when the province would make its decision on releasing the documents.

A call to AECL Monday was not returned, although it has been suggested AECL wants the deal kept under wraps because it could adversely affect the federal crown corporation's competitive business position when it comes to negotiating contracts with other clients.

While Richard says the Lepreau documents should be released his decision is not binding.

If the government decides not to release the documents, the matter could be pursued through the courts.

Adams said he's not sure what the province is trying to hide.

"Protecting AECL ought not to be a concern of the New Brunswick government" Adams said.

"Their obligation is to the public."