Goldcorp Inc.

EB-2014-0234

Board Staff Interrogatories

1. References: Goldcorp Inc. application, Paragraphs 3, 6, 20 and 28 and the attached Union’s Post Construction Financial Report, Variance Explanation and Aid in Construction Summary;

Preamble:

Goldcorp included in its application Union’s Post Construction Financial Report, Variance Explanation and Aid in Construction Summary, dated April 22, 2014.

According to this document Goldcorp’s Contribution in Aid of Construction (CIAC) was estimated to be $18.6 million and after the actual construction, the amount increased to $21.8 million. The variance is approximately $3.2 million. Goldcorp refers to the additional construction period and its impact on costs as “Delay Costs”. Goldcorp indicated that Union allocated approximately 72% of the Delay Cost to Goldcorp and approximately 28% to the Municipality of Red Lake. According to this, Union requests from Goldcorp $2.375 million increase in originally estimated CIAC.

Question:

Referring to the application please explain why in paragraph 20 Goldcorp stated that it would incur approximately $2.375 million associated with construction delay while in paragraph 28 it stated it would be responsible for $3.2 million of Delay Cost.

1. References: Goldcorp Inc. application, Paragraph 24, and the attached Union’s Post Construction Financial Report, Variance Explanation and Aid in Construction Summary, dated April 22, 2014; EB-2011-0040/0041/0042 Proceeding, Interrogatory Responses by Union to Board Staff #4.

Preamble:

In the application Goldcorp stated that it had had numerous discussions with Union regarding who should bear the Delay Costs, however no agreement was reached. In response to Board staff IR #4 in the original proceeding Union stated that it negotiated with Goldcorp the estimated contribution, and that the method, details and conditions of arrangements are set out in Clauses 10 and 11 of Northern Gas Distribution Contract, dated March 11, 2011. In response to the IR#4 Union filed Northern Gas Distribution Contract in confidence.

Questions:

* 1. What terms and conditions regarding the payment and adjustments of CIAC were defined in the contractual agreement between Goldcorp and Union in 2011.
  2. Please describe the methodology and/or formula for calculating the estimated CIAC and actual CIAC and provide any supporting documentation.