



## COMMISSION OF INQUIRY RESPECTING THE MUSKRAT FALLS PROJECT

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Transcript | Phase 2

Volume 38

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*Commissioner: Honourable Justice Richard LeBlanc*

Tuesday

May 21, 2019

**CLERK (Mulrooney):** All rise.

This Commission of Inquiry is now open.

The Honourable Justice Richard LeBlanc  
presiding as Commissioner.

Please be seated.

**THE COMMISSIONER:** Good Morning.

All right, Ms. Muzychka.

**MS. MUZYCHKA:** Good Morning,  
Commissioner.

This morning we have witness Ron Power who  
will take an affirmation.

**THE COMMISSIONER:** Okay.

You can stand, Sir, please.

**CLERK:** Do you solemnly affirm that the  
evidence you shall give to this Inquiry shall be  
the truth, the whole truth and nothing but the  
truth?

**MR. POWER:** I do.

**CLERK:** Please state your name.

**MR. POWER:** Ron Power.

**CLERK:** Thank you.

**MS. MUZYCHKA:** All right, before we begin  
there are a number of exhibits I would like to  
have entered.

**THE COMMISSIONER:** Okay.

**MS. MUZYCHKA:** And they are P-03616 to P-  
03634, P-03674 to P-03733, P-03780 to P-  
03781, P-03783 to P-03789.

**THE COMMISSIONER:** All right, those will  
be marked as numbered.

**MS. MUZYCHKA:** Thank you.

Good morning, Mr. Power.

**MR. POWER:** Morning.

**MS. MUZYCHKA:** We're going to begin with  
some background information on you, and we  
can start by pulling up Mr. Power's CV, which  
is at P-03676, and it's in binder 1 at tab 24.

All right, so Mr. Power, can you tell us how you  
are presently employed?

**MR. POWER:** Yeah, so presently I'm working  
on the Lower Churchill Project. I'm an  
independent consultant and I'm here in through  
my own company.

**MS. MUZYCHKA:** Okay.

And before we get into how long you have –  
well, we might as well do that now. So you've  
been involved in the Lower Churchill Project  
since when?

**MR. POWER:** Since January – end of January  
2008.

**MS. MUZYCHKA:** Okay. And, as you said,  
you are not an employee of Nalcor or Muskrat  
Falls –

**MR. POWER:** No.

**MS. MUZYCHKA:** – Corporation, you're an  
independent contractor.

**MR. POWER:** Yes, I provide services to  
Nalcor.

**MS. MUZYCHKA:** Okay, through your own  
personal company.

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Okay, and that company's  
name is ...?

**MR. POWER:** RJP Services Inc.

**MS. MUZYCHKA:** And are you the only  
member of that company or the only employee?

**MR. POWER:** I'm the only employee – the  
company, there's two directors, me and my wife.

**MS. MUZYCHKA:** All right.

So what position do you hold on the Muskrat Falls Project?

**MR. POWER:** Today?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** So today I'm the deputy project director for the generation project.

**MS. MUZYCHKA:** Okay.

And what position did you start – how did you start with the project?

**MR. POWER:** So when I started in January 2008 I was assigned the role of phase 3 preparation lead.

**MS. MUZYCHKA:** Okay.

And what did that role entail?

**MR. POWER:** So when I joined the project in 2008, the project was getting off the ground, I'll say, so I came on board and I was involved in the framing of the project and components 1, 2, 3, 4. I did a lot of work in preparation for the expression of interest for engineering support services – engineering and project support services, and also I stepped into the Strait of Belle Isle crossing work, which had been identified by the Westney company as the greatest technical risk on the project at that time.

**MS. MUZYCHKA:** Okay.

Before we go any further, in terms of your involvement, let's turn to your CV and review your educational qualifications and your work experience.

**MR. POWER:** Yeah.

So I graduated in 1977 from MUN with a degree in civil engineering. So regarding perusing the résumé, I'd like to start at the end, not the beginning and –

**THE COMMISSIONER:** Well, let's – Mr. Power –

**MR. POWER:** Yeah.

**THE COMMISSIONER:** – let's just start off – let Ms. Muzychka ask you the questions. If she wants to start at the beginning, we'll start at the beginning and we'll go towards the end.

I find it much easier for me to understand somebody's background by learning what they do early on so that I can figure out how they get to the next step in their career. So if you could just hold on for a few minutes, let Ms. Muzychka ask the questions, and you answer them. All right.

Go ahead, Ms. Muzychka.

**MS. MUZYCHKA:** Thank you.

Okay, so you have been – we're looking at the front of your CV, you indicated you've got 43 years' experience in project execution and operations related activities at the feasibility and development level for – in major megaprojects and operations. Is that correct?

**MR. POWER:** Yes, that's correct.

**MS. MUZYCHKA:** And you've worked on a number of various different projects. And if we want to start with – the first one at the top is the most current one, correct, the Lower Churchill Project?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Okay. And so we know that you came in in 2008 and you –

**MR. POWER:** That's correct.

**MS. MUZYCHKA:** – started in at phase 3. So that was just in the developmental phase of the Muskrat Falls Project.

**MR. POWER:** Well, in those days Gull Island was the generating facility that was being pursued.

**MS. MUZYCHKA:** Okay.

Let's look at your next position, Terra Nova floating production storage and offloading, FPSO, project and operations. When were you involved in that?

**MR. POWER:** So I started on the Terra Nova project in 1997 in the role of interface manager. I was based, for about a year and a half, mostly in London, England. I was a part of the integrated management team, the inner circle. And that particular project was an Alliance structure.

So the Alliance partners were situated all over the world. So there was a – you know, the turret and the – so at the end of the day, the Terra Nova production FPSO is offshore today producing oil. So when I started on the project it was a blank sheet of paper. So the turret team, SOFEC, they were based in Houston; the topsides engineering team were based in Leatherhead, just outside of London; the vessel team were in Daewoo in Korea; and the flow lines and risers teams were in Paris; and there was the – the reservoir folks were in Calgary; the main office was here in St. John's and there were other aspects being designed and built –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – in different places.

**MS. MUZYCHKA:** What I'm interested in, Mr. Power, is your involvement in the particular project.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** So I gather that was with Petro-Canada between 2005 and 2007.

**MR. POWER:** So my involvement in that project –

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** – as the interface coordinator, all those places I've just mentioned –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – everything had to fit together and everyone had to communicate. So that was the role, to make it all fit together.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So it was a management type role.

**MS. MUZYCHKA:** All right. So it wasn't a direct engineering type role?

**MR. POWER:** No, it was – I was with the inner circle with the project leadership team.

**MS. MUZYCHKA:** Okay, and so that was for a two-year period between '05 and '07.

**MR. POWER:** No, that was from 1997 –

**MS. MUZYCHKA:** Oh.

**MR. POWER:** – probably to 2000.

**MS. MUZYCHKA:** Okay.

Well, let's do this, I'm going to take you through each one of your jobs starting from the first one, ShawMont Newfoundland Limited, from when you graduated from engineering and then we'll build on that as we get to –

**MR. POWER:** Sure.

**MS. MUZYCHKA:** – the present day. Okay.

You're projects aren't in – necessarily in the same order that they are in your résumé in the body of your experience.

So when you were completing your engineering degree, I understand you were doing a number of work terms as part of your co-operative program.

**MR. POWER:** Yes. So I went through MUN, through the Co-op program and my last two work terms – on my last two work terms I worked on a hydroelectric project in Nova Scotia called the Wreck Cove hydroelectric project. My paycheque said Nova Scotia Power Corporation, but I was working with SNC. In those days it was Surveyer, Nenniger, Chênevert Inc. They hadn't merged with Lavalin, so it was just SNC in those days.

**MS. MUZYCHKA:** Okay.

What kind of work were you doing then?

**MR. POWER:** So I was a student and I was involved with the underground – my first work term I was involve with the construction of the

underground works which is the underground tunnels and powerhouse and things like that. So I got involved in rock mechanics and things like. So I learned a lot about that. And my second work term we were actually, at that point, doing the concrete construction inside the powerhouse. So I got familiar with concrete construction.

But most – and most importantly though, I got familiar with the difference between a contractor and the engineering company. Now, the engineering company these days is called the EPCM contractor. In those days it was engineering company. So the most important thing I got out of those two work terms, besides the fundamental technical principles of design and, you know, hydrology – hydroelectric plants and things like that, is the understanding of how a contractor operates and thinks and how the EPCM consultant or the engineering company operates and thinks and the different drivers.

**MS. MUZYCHKA:** Okay. And these would've been four-month stints as a student between your semesters.

**MR. POWER:** They were two four-month stints. That's correct.

**MS. MUZYCHKA:** Okay, all right.

And then when you graduated, you went – continued on with ShawMont Newfoundland?

**MR. POWER:** Yeah. So when I graduated in 1997 I went to work for ShawMont Newfoundland –

**MS. MUZYCHKA:** 1977.

**MR. POWER:** Sorry, 1977.

**MS. MUZYCHKA:** Continue.

**MR. POWER:** Yeah. So I was there for five years. During that time I was involved with some site development work in Labrador City, in Wabush, the Wabush Industrial Park. We did the work out there. Then I got involved with the Hinds Lake Hydroelectric Project as a civil designer. So I designed the structural components of the Hinds Lake spillway and I was involved in the technical specification rating and the – and as the project was being

constructed we were supporting the construction from the St. John's office.

And then I got involved with the Cat Arm project, which is another project – it's up on the Northern Peninsula – 127 megawatts. So I worked on the feasibility study for that and eventually Newfoundland Hydro decided to go to project execution. So I was involved with the – mostly the tunnel design and the specification rating, the optimization studies, and the earlier field programs and surveys and things like that.

**MS. MUZYCHKA:** Okay. And that takes you then to 1982.

**MR. POWER:** And also – during that five-year period I also was approached by Shawinigan Engineering – so ShawMont, for clarity for the Commissioner, ShawMont did most of the hydro projects in Newfoundland and Labrador. So ShawMont was a joint venture of two companies: one was the Shawinigan Company and one was the Montreal Engineering Company. And that joint venture had been formed to develop the hydroelectric potential of the Bay d'Espoir area.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So by this – when I started in 1997, phase three of Bay d'Espoir was just wrapping up –

**MS. MUZYCHKA:** 1977 or '97?

**MR. POWER:** '77.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** 1977, sorry. So, as I indicated, I worked on the Hinds Lake Project and Cat Arm, but also at that time I was approached by Shawinigan Engineering and I went to Nigeria for the first time. And over there I worked on the Mada River irrigation project, which was 80 kilometres of irrigation canal and a large dam at a place called Tede. So I was there – I don't know – four, five or six months doing survey work and soil investigation and so on and so forth.

**MS. MUZYCHKA:** Survey work ...?

**MR. POWER:** Survey work and some soils investigations.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** For the canals, mostly.

**MS. MUZYCHKA:** Okay, all right.

And then –

**MR. POWER:** So – excuse me.

So in 1982 I was approached by Montreal Engineering side of it, and particularly by the construction manager who had worked in the Wreck Cove project earlier. And I went back to Nigeria on the Jebba hydroelectric project. So the Jebba hydro – and I was there for four years.

So the Jebba hydroelectric project is very, very similar to the Muskrat Falls Project in layout and concrete volumes and so on. There's actually – I gave Ms. O'Brien a presentation which I think is in one of these binders now as an exhibit. So it's a very similar design, hydro plant as Muskrat Falls. It was 560 megawatts, so the units were somewhat smaller. There was six units instead of four. But it was a – you know, it was the same kind of concrete construction as Muskrat Falls is. Very similar water flows, similar hydraulic design and it was a megaproject.

**MS. MUZYCHKA:** Okay. So that –

**MR. POWER:** It was my first megaproject.

**MS. MUZYCHKA:** Yes. And you would've been an engineer about five years out at that point.

**MR. POWER:** Yeah, so when I went there – that's right, I was out five years. So I went there in the role of construction engineer on the intake structure. And after a while there, a year or so, maybe a bit more, the area engineer – i.e., the area construction manager – for the powerhouse and intake, he took ill and left the site, so I moved in at that role.

So I will say that was the largest hydroelectric project that Montreal Engineering did, in my view. So I ended up there – I was probably seven years out of school – as the area

construction manager on that powerhouse and intake.

**MS. MUZYCHKA:** And so what level of responsibility would you have had as an area construction engineer?

**MR. POWER:** Well, similar to the area construction engineers at Muskrat Falls, you – you're responsible for the day-to-day building of the powerhouse and intake. So interfacing with contractors, writing letters – there were 3,000 letters on that project or more than 3,000, I guess, by the way – quality – you know, ensuring the quality, you know, trying to stick to the schedule, ensuring quality control.

**MS. MUZYCHKA:** So how long did you have the position of area construction engineer?

**MR. POWER:** So, I went there for four years. So, probably 2½ years I was in that area role.

**MS. MUZYCHKA:** Okay. And then your next position ...?

**MR. POWER:** Yeah. So, when I left Nigeria, Montreal Engineering were bidding on the limestone project in Manitoba, which is a large plant. They never got the job. Acres did. So, I was out of work.

I went to work with the bridge office here in Newfoundland and I ended up designing a couple of large, multi-span concrete girder bridges. That was 1986 time frame and while I was in there, I got a phone call from ShawMont, again, and they were proceeding to – with the Paradise River hydroelectric project here on the Island.

So, I was approached by them for the role of construction – resident engineer was the title, which today would be called construction manager. So, I left the bridge office and I went back to work with ShawMont and I worked in the office for a while, writing the specifications and involved in the design work, and then I went to the site.

So, I was at the site when we cut the first tree and I turned over the keys to that plant to Newfoundland and Labrador Hydro in the role of the construction manager.

**MS. MUZYCHKA:** Okay. So, that was between 1987 and 1989?

**MR. POWER:** That's right. That was commissioned in May 1989, which is 30 years ago this month.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** And I will say that plant – that project had a double-curvature, concrete arch dam, which is the reason I left the other employer I had and went on that. And, I believe that was the only one in Canada at that time – I know there was two in Alaska and it was a very impressive structure. I'd say it's Hydro's jewel in the crown and we won a very prestigious award from the American Concrete Institute in 1990 – the ACI Public Works Award for all of North America for that structure.

**MS. MUZYCHKA:** Okay

So, you mentioned, when you started with that, you were doing most of your work in the office, and writing specs and so on.

**MR. POWER:** When I started on Paradise River –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – because it had tunnel work, yes, I pitched in preparing specifications and working on the design because I had worked on Cat Arm underground works, design work with Phil Helwig who designed – Phil also designed this arched dam, by the way. And so, it was very familiar and I had worked in Wreck Cove with underground work, so I was very familiar with tunnels and rock design and rock support and rock bolting and things like that.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** All right.

And then your next job was –

**MR. POWER:** Yeah, so, after Paradise River, then I went out and built a small dam on the – the Glynmill Dam in Corner Brook with

ShawMont. And following that, I was a senior consultant with the Department of National Defense in Canada. That was with the Montreal Engineering Company, and we worked on a refueling study for all the radar stations across Northern Canada.

After that, I participated with Jim Gordon in a study. So Jim was a study leader, and I was the construction expert, I guess I was called. So we did an assessment of the hydro electrical facilities that were owned by the paper mill in Grand Falls, so we assessed the facilities in Bishop Falls, Grand Falls, Red Indian Lake, the interior, Buchans and some other small sites and, at the end of, that we wrote a report. And this was all being done for Fortis, 'cause I believe, at the time, Fortis were looking at taking over those facilities.

**MS. MUZYCHKA:** And that was in the year 1991?

**MR. POWER:** Yeah, that was in that 1990-1991 time frame; that's correct.

**MS. MUZYCHKA:** And so, how long were you involved in that study?

**MR. POWER:** That was a short study. I don't know, maybe a couple of months.

**MS. MUZYCHKA:** Okay.

And then you went on to do something with the Petty Harbour forebay dam.

**MR. POWER:** Yeah, so then I – the Petty Harbour forebay dam, I did a stability analysis work there and made some recommendations for stabilization enhancements, which they implemented. And again, the importance of that, even though it is a small structure, is the design principles are all the same for the large structures or the small structures. It's the Modern Canadian Dam Association requirements and the various load cases and things like that.

So when I got involved with Muskrat Falls, I could talk very intelligently to the engineering folks in the Montreal office regarding, you know, structural design work and things like that. So after – then, another job I got involved

with out at Marble Mountain, we rerouted two transmission lines to enable a ski slope to be built there. So that's my only transmission line experience – that there. So I looked after the contract for the clearing, and I also managed the ShawMont people who are out there erecting the towers, but the tower design was done by Montreal Engineering in Montreal. And the technical queries and questions regarding design changes, as the thing was being built, they were handled by the team in Montreal.

**MS. MUZYCHKA:** Okay.

So your role was involved in overseeing the clearing of the right-of-ways for the –

**MR. POWER:** Clearing of the right of way and then the folks that eventually – after the right-of-way was cleared and we started to build the towers, the people who were working on the towers who were monitoring the construction, monitoring the contractor, they were ShawMont people that I managed –

**MS. MUZYCHKA:** Okay.

And how long was the right-of-way that was involved in this project?

**MR. POWER:** That might – I don't know – two or three months, or something like that.

**MS. MUZYCHKA:** How many – how long was – I didn't mean time-wise – how long in terms of length, kilometres or ...?

**MR. POWER:** It might have been maybe, from what I remember, eight or 10 kilometres or something. It rerouted one of the ski hills there.

**MS. MUZYCHKA:** So, it involved rerouting existing transmission lines from Marble Mountain?

**MR. POWER:** Yeah, I think it was two lines.

**MS. MUZYCHKA:** And it took roughly eight to 10 kilometres in distance?

**MR. POWER:** From what I remember, yes.

**MS. MUZYCHKA:** And how long of that project was that for you? Because this is still in 1991, I gather.

**MR. POWER:** Yeah, it was about two or three or four months, or something like that.

**MS. MUZYCHKA:** Okay.

So, it was a fairly small project?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Okay. Continue.

**MR. POWER:** Yep, so – just bear with me for one second now –

**MS. MUZYCHKA:** So, we're at the project manager Holyrood Generating Station – waste water

**MR. POWER:** Yeah, so what's not here – which I must've omitted – so during this time – it might have been in the 1990 time frame, I was approached by NODECO. So, NODECO had the contract to build the Hibernia gravity-based structure and also to do the site development. So, I was approached by NODECO – so, McNamara Construction was a member of this consortium called NODECO – so, I was approached by NODECO to go out on the site there to oversee the early site development work. So, I did that.

So, we, you know, we built the access road, and – so, when I went there, I went with a roll of red tape and I flagged the road from the Trans-Canada Highway to Bull Arm. Then, the road was put in, and then we did the site development. So, I was the NODECO representative overseeing the contractors for that work.

**MS. MUZYCHKA:** And that was a job that lasted how long?

**MR. POWER:** I was probably at that, like, six months, until the road got in and the site development work got well under way, and then I came back to St. John's.

**MS. MUZYCHKA:** Okay.



All right, so let's go into 1991-1992.

**MR. POWER:** Yeah. So, at the Holyrood Generating Station – which is out there in Holyrood, obviously, they – Newfoundland Hydro wanted to treat the ash and the waste water – the acid that comes out of that facility. So, we designed a waste water system for that. So, I was the project manager for that work, and, as well, I did civil design work on specifications and coordinated the construction – I had some construction people on the site there, and I had commissioning people on the site, as well.

So that was done and then, after that – do you want me to carry on?

**MS. MUZYCHKA:** Yes, please.

**MR. POWER:** So the Town of Placentia – there was a flood control project there that I did all the civil design work. It was a steel sheet pile wall which goes around that town. So I did the design work specifications, the cost estimating, the contracts and the project management for that complete project.

**MS. MUZYCHKA:** Okay, so that had nothing to do with hydro-type work?

**MR. POWER:** No. So everything I've described so far are civil engineering, so hydroelectric work is civil engineering work.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** So everything I've described so far is civil engineering.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Then your next position was as construction manager of Churchill Falls.

**MR. POWER:** Yeah, so up at the Churchill Falls there are –

**MS. MUZYCHKA:** And that's 1990 to 1992?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Or was it separate? You say 1990 and 1992.

**MR. POWER:** That's right. There was two –

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** – campaigns.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So up at Churchill Falls there are structures called control structures which control the flow of water from one reservoir to another reservoir. So, one of the control structures is called the Whitefish Control Structure. So, in one of the campaigns when I was up there, we refurbished one of the bays from that structure. So we did all the – we unwatered the bays, we did the concrete repairs, and repairs on the gates and repairs on the electrical equipment and so on.

And then the second campaign, which was in 1992, we did similar work at the Lobstick Control Structure which is farther away from the Churchill Falls town site.

**MS. MUZYCHKA:** All right.

And then your next position was in 1993.

**MR. POWER:** Yeah.

So then along came the oil industry. So the gravity-based – so the – so at this point in time site development work had been done out in Bull Arm, the dry dock was ready and so on, so the work on the Hibernia gravity-based structure commenced. So I got seconded from ShawMont to a company called DORIS Engineering. So DORIS were responsible for the design of the gravity-based structure. So I assumed a lead engineer role in there and one of the tasks I did was the embedment coordinator.

But I was on the gravity-based structure project for about four years and a lot of interfacing with the other parts of the project, with the topsides and the marine operations, things like that. So I was back into the megaproject world at this point.

**MS. MUZYCHKA:** Okay.

And then your next position, again, with ShawMont Newfoundland Limited.

**MR. POWER:** Yeah. So when the Hibernia GBS got towed out, I'll say, then I went back to ShawMont and we did – we worked on a feasibility study for Silver Mountain hydroelectric development, which is a development out in the Long Range Mountains that never went to fruition, but we did do the feasibility study. This was for Corner Brook Pulp and Paper, I believe, or Deer Lake Power. I believe it was for Deer Lake Power we did that.

And, also, I had some involvement with some updates to the Island Pond hydroelectric development which, again, we updated the feasibility study, but the – that development hasn't gone ahead as of yet.

**MS. MUZYCHKA:** Okay. So that was roughly a two-year project for you?

**MR. POWER:** Yeah. So I was at that study work there for probably, maybe, a year or so, from what I remember.

**MS. MUZYCHKA:** That was not involving any construction or development –

**MR. POWER:** No, this was study work –

**MS. MUZYCHKA:** – study?

**MR. POWER:** – here in the St. John's ShawMont office.

**MS. MUZYCHKA:** Okay.

All right, let's look to the next position you had in 1998.

**MR. POWER:** Yeah so, then, back into the megaprojects as I talked about a little bit earlier. So this is the Terra Nova FPSO project. So I was the interface manager there on that project for about three years.

I will say that during that project, there were several audits by the major partners. This was like Chevron, Exxon, Mobil, Statoil, Murphy Oil and Petro-Canada. And out of all those audits, there were three best-in-class systems identified, and I implemented – I developed and managed

two of those. One was the project interface system, which was still used here on the East Coast for all the megaprojects, and we brought it in to Muskrat Falls as well. And, also, I was – we got best in class for the safety and environmental action monitoring system that I implemented –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – on that.

So when the Terra Nova project finished, then I left ShawMont; I was courted by Petro-Canada. So I left the employ of ShawMont, I had been there 22 or 23 years or something by this time and I went to work for Petro-Canada.

So we set up the Terra Nova – so we took the Terra Nova project and brought it into operations, so that was, you know, engineering data, document control, engineering – we set up the Terra Nova engineering. And while I was there then, Petro-Canada was being set up here on the East Coast as the operator of Terra Nova. So I got involved with the creation and implementation of management systems. So all the Petro-Canada – it was set up with different departments, I'll call it, you know, engineering and joint ventures and so on. So we implemented a management plan and the procedures and training programs for all of that.

And I also then – while I was at Petro-Canada, we created a unit called offshore engineering and technology. So now we were looking at the potential growth areas – so Hebron gas, natural gas. We were involved in supporting the technical aspects of White Rose; I was on the Hebron technical committee.

**MS. MUZYCHKA:** Okay so in – your total time with Petro-Canada then, was about six, seven years?

**MR. POWER:** About eight years. And during this period, as well, I was sought out by the National Energy Board of Canada to help them design and implement the management system. So I lived in Calgary part time for about a year and I worked with them out there to do that.

**MS. MUZYCHKA:** Okay.

And this stint with Petro-Canada was obviously in the oil and gas field.

**MR. POWER:** Well – yeah, it was energy development.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Yeah but the work I was doing – a lot of the work I was doing was management systems. As well there, Petro-Canada were intending to expand the Terra Nova facility to develop a pool of oil called the Far East. So that was a project and so we were assigned to execute the project.

So we prepared the project execution plan and we prepared the development plan amendment, which I wrote and submitted to the C-NLOPB and we brought that project to the sanction decision. So at – so we had the execution plan and the estimates and the schedule and that's where I got all – that's where I first became familiar with this probabilistic analysis that we've heard a lot about here in this Inquiry, the stuff that Westney does. And all this P – you know, P25 and P75 and all this, we weren't doing all that kind of stuff.

So we brought that to the sanction decision, but the owners decided not to sanction the project. So the key message there is when I made the decision to leave Petro-Canada – which I'll talk about in a second – I knew very well that there was a good chance that when I went on the Lower Churchill Project, that these projects are often brought to a sanction decision and not get sanctioned, so I knew exactly what I was getting into.

**MS. MUZYCHKA:** Okay.

So then you moved to Nalcor Energy with the Lower Churchill Project. And as you stated earlier, you joined the project as an independent contractor –

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** – and –

**MR. POWER:** – in the 2008 or 2007 time frame, Jason Kean, who you know, used to phone me every two or three months and say –

and said Nalcor is, you know, pursuing the development of the hydro potential on the Churchill River, the Gull Island project, and we'd like for you to come and work on the project because of your hydroelectric experience, but more so because of my organizational abilities and my management system abilities.

**MS. MUZYCHKA:** So you were recruited by Jason Kean?

**MR. POWER:** Well, I was – he kind of talked me into it. He was talking to me for about a year because you got to realize at that point in time I'm 55 years old, I got 31 years' experience. I'm an oil company employee, I got a very good benefits package, you know, with annual stock options, job security, you know, this kind of stuff and, you know, pension plan and things like that, so it wasn't an easy decision at that age to leave all that and go into something with no security.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But eventually I did. That's exactly what I did, you know.

**MS. MUZYCHKA:** All right, but it was at Jason Kean's behest that brought you into –

**MR. POWER:** He was phoning –

**MS. MUZYCHKA:** – the project.

**MR. POWER:** – me up and saying, yeah, we'd like for you to come on the project.

**MS. MUZYCHKA:** Okay.

And I understand you're on a contractual basis with –

**MR. POWER:** Yeah, so when I –

**MS. MUZYCHKA:** – Nalcor?

**MR. POWER:** As we discussed before, when I kind of talked myself into leaving and going on the Lower Churchill, I preferred to come on as a Nalcor employee because I was interested in getting a few years into this defined benefit, you

know, gold-plated pension plan, but that wasn't the case, Nalcor wasn't hiring employees.

So then I asked – I resigned myself, well, I'll have to go – I'll have to come in through an agency. I was very familiar with agencies because all the megaprojects on the East Coast here are mainly executed by people who come in through agencies.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But the answer was, no, you can't come in through an agency because eventually you'll have people working for you and you'll be in a conflict of interest information if you're signing time sheets, whatever, for people with the same company. So I eventually formed my own company –

**MS. MUZYCHKA:** Right, and so –

**MR. POWER:** – which was new territory for me.

**MS. MUZYCHKA:** And you signed a contract with Nalcor and you're paid on an hourly rate.

**MR. POWER:** Yeah, so I got a one-year contract.

**MS. MUZYCHKA:** Right, and that's renewable each year.

**MR. POWER:** Yeah, so the –

**MS. MUZYCHKA:** Is that what we'd consider –

**MR. POWER:** – contract I had for the first year, I insisted that if the project ended, say, after six months that I get paid out for a year, but after – so they agreed to that. But after the first year, then it gets renewed every year, to your point, but then it was only a seven-day guarantee, so if the project ended you get paid out for seven days.

**MS. MUZYCHKA:** Seven days' notice?

**MR. POWER:** Seven days' notice.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Now, today I – a couple of years ago I pushed, I got it up to 30. I got 30-day notice now today.

**MS. MUZYCHKA:** All right. Well, it worked out and you were there since 2008 to present day.

**MR. POWER:** Well, yeah, it worked out, but it may not have worked out.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And I will say, also, that the contract I had – so I bill myself out at a, I calculated an hourly rate that a senior engineer, through the engineering association – the hourly rate for a senior engineer with 10 years' experience was \$150 an hour, so I billed myself at \$150 an hour for an eight-hour day. And Paul Harrington made it quite clear in my contract and to everyone on the project that you get paid for eight hours, maximum. So if I worked 12 hours a day, which I did for most of my years on this project, I get paid for eight hours a day.

**MS. MUZYCHKA:** Is that still the case today?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Okay and your current hourly rate is, what, 202 –?

**MR. POWER:** 202.

**MS. MUZYCHKA:** 202.70?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Okay, and if you work seven days a week, do you get paid for those days?

**MR. POWER:** Yes, you get paid for what days you work, but you get paid for eight hours a day.

**MS. MUZYCHKA:** Okay.

So you knew Jason Kean when you joined the –

**MR. POWER:** Yeah, so I had worked with –

**MS. MUZYCHKA:** – Lower Churchill Project.

**MR. POWER:** I had worked with Jason on – down at – on the Terra Nova project, I think, or Petro-Canada. Yeah.

**MS. MUZYCHKA:** Okay. And did you also know Scott O'Brien from the Terra Nova – or Petro-Canada?

**MR. POWER:** Yeah, so Scott worked on the Hibernia project. I knew him somewhat there. He was a student. And then, in 1997 he started on the Terra Nova project with – on the Terra Nova project on the same day I did. So I know – I knew Scott through Terra Nova and then he also joined Petro-Canada. So I know he – and I worked with Scott for some time at Petro-Canada, but then he went off and worked with Husky on a project and then he worked with Chevron.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But I did know Scott, yes.

**MS. MUZYCHKA:** Yes, and did you also know Paul Harrington from Petro-Canada?

**MR. POWER:** So I knew Paul somewhat. Paul was involved with Terra Nova commissioning and the ready-for-operations work. I never worked directly for Paul and I never worked with Paul, but he was in the same building. And, you know, I knew Paul. I could say: Hello, Paul, and he'd say: Good morning, Ron, and things like that. But I didn't –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – know him well, no.

**MS. MUZYCHKA:** No, fair enough. And what about Lance Clarke and Ed Martin, they also worked on the Terra Nova project.

**MR. POWER:** Yeah. So Lance Clarke I didn't know personally, and – I knew who he was. I don't know. Lance may have known my name because we were in the same building at Petro-Canada; he was with the business services division there, which I worked on the management plan for that group. But Lance very quickly, I think, went on to White Rose and then other projects.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Ed Martin, again, I didn't know Ed – I never worked for Ed or with Ed, but Ed was the manager of the joint ventures division at Petro-Canada. And, again, I worked with that group on, you know, developing and implementing a management system and I made presentations to Ed. And, also, where Ed was sorting the Petro-Canada's joint venture operations and we were doing the technical work – like, for the, you know, White Rose oversight and the Hebron oversight which was under Ed's remit – we would make presentations to Ed Martin.

**MS. MUZYCHKA:** Okay.

And I understand that Darren DeBourke also came from Petro-Canada.

**MR. POWER:** So I never knew Darren DeBourke until I interviewed him when I was on the Lower Churchill Project.

**MS. MUZYCHKA:** But he came from Petro-Canada.

**MR. POWER:** Not as far as I know.

**MS. MUZYCHKA:** No? What about Pat Hussey?

**MR. POWER:** So I knew of Pat. I mean, Pat is Mr. Supply Chain here on the East Coast, I would say. Pat was on the Terra Nova project. I believe Pat spent time in Montreal and then Pat worked on the Sable project in Nova Scotia.

But, eventually, Pat ended up – and Pat was on Hibernia – Pat ended up, up in Terra Nova up with Petro-Canada putting together the operations contracts. So, again, I never knew Pat well. You know, I knew his name, he may have known my name, but I never worked with Pat.

**MS. MUZYCHKA:** Okay.

No, I guess my point though is that he came from the Terra Nova project as well.

**MR. POWER:** Pat worked on the Terra Nova project as well as a lot of other projects, yes.

**MS. MUZYCHKA:** And what about Ken McClintock? Was he also involved in the Terra Nova project?

**MR. POWER:** So Ken was involved with the Terra Nova project with Brown & Root, I believe. I didn't – you know, I knew what Ken looked like but I didn't know him per se.

**MS. MUZYCHKA:** Okay.

All right, so you were saying at the beginning that when you joined Nalcor and the project that your role was engineering deliverables.

**MR. POWER:** No, when I started on that – so when I joined the Lower Churchill Project, my title that Paul Harrington gave me was phase 3 preparation lead.

**MS. MUZYCHKA:** Okay and what does that mean?

**MR. POWER:** So I'm just reading what I put here now. So we – I worked on the organizational design and the project framing, you know, Component 1, 2, 3 and 4; I invented all of those words. I worked on the scope of work for the expression of interest for the engineering and project support services because that was the execution model that we had arrived at to execute the project. And I also worked on the crossing of the Strait of Belle Isle.

So, when I came on the project, there was a technical team in place, led by Bob Barnes, and they had been doing engineering with SNC-Lavalin and Hatch and Fugro Jacques for a couple of years. I think that started, perhaps, in 2007. And – so, they had done, you know, all the engineering studies with the focus on Gull Island in those days and all the transmission line studies that were done and the system studies for the converter stations and things like that. And they had done quite a bit of marine work for the crossing of the Strait of Belle Isle.

So, with Fugro they've done marine seismic –

**MS. MUZYCHKA:** Okay. We don't want to get into too much detail –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – about what other people do because we'll be here all day for sure, just on your –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – experience. So, let's just – give us a – so –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – the Commissioner understands what your first job was with the project and then how that evolved to the position that you have.

**MR. POWER:** Okay.

So, my earliest work on the project, then, was the organizational design and the project framing and putting together the expression of interest for the engineering and project support contract, which is the model that we were going with. And, also, I set up a task force of – for the Strait of Belle Isle crossing to augment the work that Bob Barnes's team was doing. And that task force – we looked at a tunnel all the way across, underneath the Strait or the seabed solution, which we eventually arrived at.

So, I took that work to a decision point, which I believe was in 2009, and then I – you know, Paul Harrington pulled me away from the Strait of Belle Isle work, and another project manager took that over. But while I was doing the Strait of Belle Isle work, I had consultants engaged worldwide on our task force. I had the, you know, Norwegian – the president of the Norwegian Tunneling Society. I had the people from Iceland – from Landsvirkjun Power, who did the epic Kárahnjúkar Hydro Project, and Norconsult from Norway. We had Statnett from Norway, who had done the subsea cable from Norway to the Netherlands.

**MS. MUZYCHKA:** So, were you coordinating these –

**MR. POWER:** Yeah. We coordinated all these consultant – Hatch Mott MacDonald, who had done the study for the government about the – regarding the vehicular tunnel under the Strait of Belle Isle. We had C-CORE doing the ice risk work. Fugro Jacques doing the marine work –

the marine seismic and some Icelandic companies. We did more seismic work when I got involved, and we also did extended diamond drilling from both sides of the Strait of Belle Isle.

So, it was quite an extensive program that eventually resulted in the decision to go with the seabed solution, we call it, that we have today.

**MS. MUZYCHKA:** SOBI.

**MR. POWER:** Yeah, for crossing of the Strait of Belle Isle, which is known as SOBI. That's correct.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So, that took up a lot of my time.

**MS. MUZYCHKA:** All right.

And then you moved into the position of engineering deliverables manager.

**MR. POWER:** Yeah.

So – all right, so when we out with the expressions of interest for the engineering and project support approach, we went to six companies, which included SNC-Lavalin, Hatch, Black & Veatch, the Washington group –

**MS. MUZYCHKA:** What was your role? Was it to find the appropriate engineering –?

**MR. POWER:** Well, so I would was one of the technical leaders on that expression of interest.

**MS. MUZYCHKA:** And that led to selection of –

**MR. POWER:** So when we went out with that expression of interest – because that was the execution model that we were pursuing to develop the Lower Churchill Project – it became – when we – and we visited these six entities – it became clear, to some of us at least, that even though these companies were supportive of the approach that we were pursuing, they were leaning toward, well, doing the full EPCM so –

**MS. MUZYCHKA:** Okay, we're going to talk about that later. I'm just more interested in getting a sense as to what your roles were early in the project and how we get to the point because this part of the phase of the Inquiry deals with post-sanction, so we're going to move to that area.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** So, let's just get –

**MR. POWER:** All right.

**MS. MUZYCHKA:** – sort of quickly to how your position evolved –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – once we got into sanction –

**MR. POWER:** All right.

**MS. MUZYCHKA:** – and thereafter.

**MR. POWER:** So, we never went with that management approach. As a result of that work, we went – we decided to go with the EPCM model.

**MS. MUZYCHKA:** Right. And we'll talk about that in a little while.

**MR. POWER:** Right.

**MS. MUZYCHKA:** So, that was –

**MR. POWER:** (Inaudible.)

**MS. MUZYCHKA:** – part of your job was involved in the planning and selection phase of the EPCM manager?

**MR. POWER:** That's right.

So, my title changed – which was your question – from the phase 3 preparation lead to the engineering deliverables manager in this time period 'cause the engineering deliverables manager – with that first execution model that we – would have been engineering companies. They would do engineering as well as provide

people for the procurement and construction management.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** So the engineering entities were to report to me as the engineering deliverables manager.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – because what you’re trying to get out of engineering is deliverables –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – drawings and specifications and things like that.

**MS. MUZYCHKA:** Okay.

So then from that point, you are now deputy project director.

**MR. POWER:** No.

**MS. MUZYCHKA:** No?

**MR. POWER:** No, so –

**MS. MUZYCHKA:** Oh, general project manager, sorry.

**MR. POWER:** So, my role went from phase 3 preparation lead to engineering deliverables manager and at – so that was 2008, 2009, 2010. And in December 2010, we signed the letter of intent to award the EPCM services to SNC-Lavalin. So then I assumed the role of general project manager. So, I had been on the project for three years in those other two roles, and then in December 2010 or January 2011, in that time frame, I assumed the role, then, of general project manager –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – which would be a counterparty to the general – to the EPCM general project manager.

**MS. MUZYCHKA:** Right, and you were in that position from 2010, December, until when?

**MR. POWER:** Until mid-2016 when the project split.

**MS. MUZYCHKA:** Okay.

All right. And that’s when you became a deputy project director?

**MR. POWER:** Yeah, so my – so when the project split, my position became redundant because I didn’t have the project managers reporting to me anymore, so I moved into the role of deputy project director, yes, reporting to Paul Harrington.

**MS. MUZYCHKA:** Okay.

When you were general project manager for the six-, seven-year period –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – what was your chain of report?

**MR. POWER:** I reported to Paul Harrington.

**MS. MUZYCHKA:** Okay.

And then who did you have reporting to you?

**MR. POWER:** All right, so when I was general project manager, reporting to me I had the project manager for Muskrat Falls, the Component 1, which is Scott O’Brien.

**MS. MUZYCHKA:** Mm-hmm.

**MR. POWER:** I had the project manager for the transmission, which, de facto, was Jason, he kind of took over the transmission.

**MS. MUZYCHKA:** Jason Kean.

**MR. POWER:** Jason Kean, yeah, and I had the project manager for the HVDC specialties, which was Darren DeBourke.

In addition, I had the quality manager reporting to me directly, which is David Green; I had the environmental manager reporting to me directly, which was Marion Organ and then Dave Haley from SNC. And the safety manager reported directly to me as well, although, de facto, he was



reporting to Jason. On the chart, he reported to me, but Jason was kind of managing that. Supply chain, which is Pat Hussey, on the chart, Pat was reporting to me, but, de facto, he was interfacing or reporting to Lance Clarke, I'll say, in many respects.

**MS. MUZYCHKA:** Okay. So, all of these individuals wouldn't report to you on the various project components – transmission, generation –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – et cetera? And you would report to –?

**MR. POWER:** I reported to Paul Harrington.

**MS. MUZYCHKA:** To Paul Harrington. And his position was – what?

**MR. POWER:** So, yeah – so Paul assumed the position of project director. So Paul – so the Strait of Belle Isle project manager, Greg Fleming, he reported to Paul. So I had nothing to do with the Strait of Belle Isle, after we reached the sanction decision back in 2009. So Greg would report to Paul, and Paul – and an individual called Steve Pellerin, who was – I forget his title now.

**MS. MUZYCHKA:** Not important.

**MR. POWER:** Okay. And Brian Crawley, who was stakeholder relations, he was reporting to Paul. Paul was involved, you know, managing –

**MS. MUZYCHKA:** You reported to Paul Harrington.

**MR. POWER:** I reported to Paul Harrington, yes.

**MS. MUZYCHKA:** That's – that's essentially –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – the important point here. And then he would report to –

**MR. POWER:** Gilbert.

**MS. MUZYCHKA:** – to Gilbert Bennett –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – and to Ed Martin.

**MR. POWER:** No. Paul –

**MS. MUZYCHKA:** No?

**MR. POWER:** – reported to Gilbert, and Gilbert reported to Paul.

**MS. MUZYCHKA:** Okay.

All right, so your role was essentially managing those individuals beneath you?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** And Paul was more involved in terms of reporting up along, in the chain.

**MR. POWER:** Well, Paul was looking at – Paul was, you know, involved with interfacing with the, you know, Oversight Committee, Emera, public – PUB for – when that was on the go, stakeholder relations. Strait of Belle Isle, as I indicated, reported to Paul. And I – you know, Paul was managing me, I reported to Paul as well.

**MS. MUZYCHKA:** Right.

**MR. POWER:** And Paul was involved in the – you know, a lot of the commercial negotiations and things like that, with Lance Clarke.

**MS. MUZYCHKA:** Okay.

I just want to ask you some general questions now, since the Inquiry was under way. Have you spoken to any witnesses regarding their Inquiry testimony or their interviews?

**MR. POWER:** So when people are interviewed, the interview notes are sent to, you know, a group of people down where we are. So I – I'm – I get the interview notes; Pat Hussey gets the interview notes; Scott O'Brien gets the interview notes; I think Tanya Power; Karen O'Neill, our communications manager. So, I wouldn't say we talk exactly about the interview notes, but we certainly talk about – because it's what we do on a daily basis, we talk about the themes in those.

So I wouldn't say we talk specifically about interview notes, but we talk about the topics because that's what we do.

**MS. MUZYCHKA:** So what's the purpose of you receiving the interview notes?

**MR. POWER:** It's a review for commercial sensitivities.

**MS. MUZYCHKA:** Okay.

And so, do you discuss testimony as you see it? And, do you talk amongst yourselves about it? Is that how it works?

**MR. POWER:** No, so we don't sit down with someone's testimony and say this and this – no, but, you know, we might discuss topics. But, in general, I would say we don't, because most of what we're doing on a daily basis is involved with these, you know, the interview – the topics that the people are being interviewed on.

**MS. MUZYCHKA:** Okay.

What about meeting with or speaking with witnesses, prior to their testimony?

**MR. POWER:** So the only witness, I would say, who I communicated with would be Ken McClintock.

**MS. MUZYCHKA:** Okay. And what would have been the purpose?

**MR. POWER:** Yeah. So, what we – when – what we saw in the Grant Thornton report, that – regarding the CH0009 contract that the Grant Thornton report reported – contained information that they gleaned from Mark Turpin, about Mark's view of CH0009, which wasn't correct.

So before Ken McClintock got involved with the Commission at all, we brought Ken McClintock back to our office, after we got that Grant Thornton report – 'cause he had worked on the evaluation – and we asked Ken to go through all the – you know, to bring himself back up to speed, and go through all the emails and all the records, so he could be prepared to let us know what the facts are, because we had to defend that

– you know, what was in that Grant Thornton report was misleading, in my view.

**MS. MUZYCHKA:** And that was when the Grant Thornton report came out –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – that you had that meeting. Did you have further discussions with Mr. McClintock before his testimony, recently?

**MR. POWER:** So I had been talking to Ken McClintock – I know the last time he was interviewed, no, we never. But when Ken went on the stand, no, we never spoke to him then. We actually, what we – we did have, in preparation for his going on the stand, we got – we obtained all the emails at – so when the CH0009 evaluation was on the go, the communication with the various bidders was being done with – by – mostly by an individual called Ed Over.

**MS. MUZYCHKA:** Okay. Before you get to that, though –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – my question was: Whether or not you'd had any conversations with, or meetings with Mr. McClintock, prior to his testimony?

**MR. POWER:** For his –

**MS. MUZYCHKA:** Separate and apart from the discussion.

**MR. POWER:** – for his testimony here in the Commission?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** No.

**MS. MUZYCHKA:** You didn't speak –

**MR. POWER:** No, I –

**MS. MUZYCHKA:** – to him at all?

**MR. POWER:** – I phoned him up and said, are you – 'cause he was gonna testify here on a

Monday, I think, and he was supposed to have come down to our office for the – previous week, for Thursday and Friday, to look –

**MS. MUZYCHKA:** For what purpose?

**MR. POWER:** – to look at all the emails that we got off the SNC system that he – Ken never saw, he never saw those before. When we had him down earlier, to get back up to speed with the facts, we never had access to the SNC emails.

So while he was away, we got access to those, so the plan was for us to come to Ken's office before he got up on the stand here, to review those emails. So, I phoned him up the week before he was to come here, I said: Ken, are you still coming? He said: No, I'm good, I don't need to see the emails. So, he never came.

**MS. MUZYCHKA:** Okay. I'm just gonna – turn to your binder, Ron Power, binder 22 at tab 90.

**MR. POWER:** Nineteen?

**MS. MUZYCHKA:** Ninety – nine, zero.

**MR. POWER:** Nine, zero?

**MS. MUZYCHKA:** And it's Exhibit P-03732.

**MS. HUTCHINGS:** Excuse me. Excuse me, Commissioner.

**THE COMMISSIONER:** Yes.

**MS. HUTCHINGS:** Sorry.

**THE COMMISSIONER:** (Inaudible.)

**MS. HUTCHINGS:** I had a conversation with counsel about this particular document and that we wanted to have redacted the name at page 2. I had sent to yourself, this morning, earlier this morning, the basis for the redaction and, just to add on there, the individual's name that we are looing to have redacted, is still employed and has their contract extended, prior to all of this happening, to 2020. And were – you know, in my letter to you, we express some concern about that individual and, you know, the loss – the individual, so forth.

So, we are asking to have the name redacted before it's – I don't know if there is anything else further that – other than what's in my letter.

**THE COMMISSIONER:** I just wanna make sure I understand, you – right now, you are representing the members of the project management team. Correct?

**MS. HUTCHINGS:** Well, I am representing Mr. Power –

**THE COMMISSIONER:** Mm-hmm.

**MS. HUTCHINGS:** – and I've already represented Mr. Kean and Mr. – Mr. Kean, Mr. Power and Mr. Hussey. And in the Phase 1 – and there was also Mr. Harrington and Mr. – yeah, Mr. Harrington. The other individual I will be representing, just – the last one would be Lance Clarke, who's going to appear after Mister –

**THE COMMISSIONER:** So, just so – I don't know what's been shared with the other counsel, so – because I don't want to use the name right at the moment while I deal with this but I am assuming that you accept that you're – the individual named in this email is not one of your clients.

**MS. HUTCHINGS:** No, no, absolutely not.

**THE COMMISSIONER:** Okay.

**MS. HUTCHINGS:** And my understanding as well, and probably Commission counsel can clarify this, that – I don't even think that individual is – will be called as a witness.

**THE COMMISSIONER:** Mm-hmm.

Okay.

Let me hear from you, Ms. Muzychka.

**MS. MUZYCHKA:** No, it's not the plan to call that individual as a witness but we certainly feel that the information that's contained in the text, including the individual's name is relevant and it doesn't fall within any of the commercial sensitivity concerns or the privacy of an individual who has nothing whatsoever to do with the Commission. There is a link and I think

it's – for full clarity of the issues, that it would be appropriate to keep it as it stands.

**THE COMMISSIONER:** Okay.

I should hear from you, Mr. Simmons.

**MR. SIMMONS:** Commissioner, Ms. Hutchings did provide us with a copy of her letter as a courtesy so I'm – I've had a chance to look at it and the issue, and while it's not a matter of, sort of, financial/commercial sensitivity for Nalcor we support the request in order to try to avoid any adverse affect on the privacy of the individual involved and his own interests. So we would provide our support to the request that's been made by Ms. Hutchings on behalf of Mr. Power.

**THE COMMISSIONER:** Does any other counsel wish to speak to this point?

Okay.

So from my perspective, I appreciate the heads-up, first of all, Ms. Hutchings, to getting this letter this morning and I did receive it this morning, so I had an opportunity to review it. It's – to give my reasons, it's difficult to give the full reasons without referring to the name, but I think the way I'm going to deal with this is this: Is that, in this Inquiry there is obviously some differences of opinion with regards to various pieces of the evidence and I think the connection that this particular individual has to a previous witness who has testified, and the relevance of it for me is the manner in which people are assessing that point of view, particularly individuals who are, like Mr. Power, on the project management team, or others – I'm not sure if there are any others – that are really involved to a great extent.

But, you know, this is a public inquiry, and in the circumstances, there is a connection here with this particular named person and a previous witness who has testified. I think it will be very clear to most people who've been following the Inquiry what that connection is, and why it could well be very relevant to my assessment, ultimately, of the credibility and the evidence of each of the witnesses.

So, while I accept the fact that this is a comment – and I know the text of this comment as well, so it's – it's not a text that basically invades the privacy of the individual named to any significant degree. It's one person's opinion of this particular individual and I'm not sure it reflects the – whether or not it reflects the opinion of others in the management of Nalcor Energy.

So, if there had not been the connection I would have said take the name out, which is what I think I've been directing counsel to do – Commission counsel to do for the most part, but here, there's a connection here that I think I – I think should be made public, and this is a comment also, as well, that I want to – to be able to consider as we move forward.

So go ahead.

**MS. MUZYCHKA:** Thank you, Commissioner.

All right, if we could bring up Exhibit 03732?

Now, Mr. Power, this is a text conversation between yourself and Scott O'Brien, is that correct?

**MR. POWER:** It appears to be, yes.

**MS. MUZYCHKA:** Okay.

And the dates start Friday, March 22, 9:35 and, you know, I won't go through each and every one of these on this page, but we can certainly start, you know – if you want to read through them, and that way we can follow the chain of what the context is of the communications.

So, the blue bubbles are you, or is it the grey?

**MR. POWER:** The grey, I believe.

**MS. MUZYCHKA:** The grey is you. Okay, so you – you sent a text to Scott O'Brien. It suggests the "MFL dates be communicated today"

What's that all about?

**MR. POWER:** So the MFL dates are the dates to let people know what their end dates, or their current end dates, on the project will be.

**MS. MUZYCHKA:** Okay. And then – so, this is a conversation about individuals who are – whose contracts are coming to an end?

**MR. POWER:** Yeah, or up for renewal.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And then, so, you say was the MHI guy's name David Bowen, and – you know – just continue and explain this –

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** – because your texts are brief messages, but there's obviously a context behind them, and then –

**MR. POWER:** – yeah, so I was trying to remember the name of the Manitoba Hydro project manager – who I believed his name was David Bowen – so I was just asking Scott was his name David Bowen.

**MS. MUZYCHKA:** Okay.

And then, you get that information confirmed, and you respond, “k – I am looking for info related to package sizes - I'll send him an email now” And then, he responds, “They've got the big contract with BBE.”

**MR. POWER:** So, that relates to the Keeyask Hydro development. I was trying to understand the value of those contracts. So that spreadsheet I gave you yesterday – with those various projects on it, and the sizes of the contracts – that would have been related to that.

**MS. MUZYCHKA:** Okay.

And then, you end with, “I just sent an e-mail re salary increase required for PDT”

**MR. POWER:** Yeah. So, the project delivery team, in particular the new graduates, haven't had a pay raise in four years, so I sent an email to Gilbert, advising him of that and asking him could we do something to try and get some pay increases for the project management team members, who haven't had a pay raise in four years.

**MS. MUZYCHKA:** Okay.

So, the next date is Monday, March 25, at 3:28 pm –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – and you say “JD is talking about you now”

**MR. POWER:** Yeah. So, I would've been looking at the Inquiry – and I'm assuming that's J. D. Tremblay – so, in his evidence, obviously, he was talking about Scott O'Brien. I said –

**MS. MUZYCHKA:** Okay. It's –

**MR. POWER:** Pardon me?

**MS. MUZYCHKA:** Why did you send that to Scott O'Brien?

**MR. POWER:** Why did I send it to him?

**MS. MUZYCHKA:** Mmm.

**MR. POWER:** Because I let Scott know that J. D. Tremblay is talking about him here in the Inquiry.

**MS. MUZYCHKA:** Okay.

And then, the next text you get from Scott O'Brien is Tuesday, March 26, at 11:54 am –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – and he says, “You doing ok? How's Normand?”

**MR. POWER:** No, Scott said that.

**MS. MUZYCHKA:** Yes, I said. And you respond.

**MR. POWER:** “Yes, looking at Normand – he had a poke at me – but most of what he said can be refuted.”

**MS. MUZYCHKA:** Okay. So you were watching Normand as well?

**MR. POWER:** Yeah, and I was watching Normand calling Scott O'Brien incompetent and things like that. Yeah.

**MS. MUZYCHKA:** Okay, but he also had said something about you.

**MR. POWER:** Yeah, I don't remember what it was but if I wrote that, he would have, yes.

**MS. MUZYCHKA:** Okay.

Continue on reading through your conversation.

**MR. POWER:** Yeah.

So, then Mr. Learmonth – I think this is still in the Normand Béchard interview. Mr. Learmonth pointed out – which I've heard a lot in this Inquiry – that Scott doesn't have hydro experience. So I just made a point to Scott that Mr. Learmonth "just said you had no hydro experience." And Scott said: "I am absolutely a target for them" – them being the Inquiry.

**MS. MUZYCHKA:** Right.

And then you continued and you said ...

**MR. POWER:** Talking about Gervais – so Gervais Savard was a construction person who was on the project. And I said to Scott: "I need to understand that one better before I testify."

**MS. MUZYCHKA:** And what was that specifically that you were concerned about?

**MR. POWER:** I wouldn't say I was concerned; I just needed to know what the story was regarding Gervais in case I got asked up here.

**MS. MUZYCHKA:** Okay.

And then Scott O'Brien responds to you.

**MR. POWER:** Yeah.

He said: "Gervais was entrenched in a Quebec culture as was Normand and they couldn't wrap their heads round the approaches we needed to take here. It wasn't an SNC approach."

So Scott is making the point here that the approach that Normand came in with – so

Normand came out of Hydro-Québec and he joined the project in July 2011. And what Scott is saying here is the approach that Normand was taking wasn't the SNC approach that was outlined in the proposal.

So the SNC approach as outlined in the proposal is what we're implementing today, which is the area manager approach, and Normand was proposing something different.

**MS. MUZYCHKA:** What was he proposing?

**MR. POWER:** Well, it was more the Hydro-Québec approach.

**MS. MUZYCHKA:** But how was that different from –

**MR. POWER:** Well, there's a lot more people on site and things like that.

**MS. MUZYCHKA:** So there was a difference of opinion between the Nalcor team and the SNC team?

**MR. POWER:** No.

There was a different viewpoint that Normand brought versus what was espoused in the SNC proposal that we had accepted –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** –when we awarded SNC the contract for EPCM services.

**MS. MUZYCHKA:** Okay.

Now, he says: "It wasn't an SNC approach. It was the two of them. Gervais was focused on providing soup for everyone and curling bonspiels and Sundays off and drinking in camp."

**MR. POWER:** So that's what Hydro-Québec do, we understand from Gervais, when they execute their projects. They take Sundays off and they have curling bonspiels and it's just a different approach to – our approach was the – was working seven days a week with a dry camp, no alcohol and things like that.

So they were just – Gervais was coming out of a different experience and I had asked Scott here to remind me of what that was.

**MS. MUZYCHKA:** And then he also says: “It might also be helpful to point out Normand and SNC weren’t aligned. His views are his own.”

**MR. POWER:** Yeah, so that goes back to, again, the – what was in the SNC proposal was the area manager approach that we’re implementing now, versus what I understand to be the Quebec hydro approach.

**MS. MUZYCHKA:** Okay. All right.

And then you mention: “The first director Roger Nicholl had no hydro.” Who were you referring to there?

**MR. POWER:** Yeah, so I guess, you know, what I hear in this Inquiry here all the time – incorrectly, in my opinion, by the way – that people have to have hydro experience to project manage a job, I just keep pointing out that in the SNC proposal the project director, who we accepted in the proposal whose name was Roger Nicholl, he had no hydro experience. But we accepted him because he didn’t need hydro experience. What he had was project management experience.

Same as a lot of the key personnel and I gave you the key personnel file yesterday, the exhibit 11 from the contract. A lot of the key personnel that SNC-Lavalin proposed to provide the EPCM service that we accepted, they had no hydro experience because they didn’t need it. What they – what we were looking for was project management experience.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So that’s why I said that.

**MS. MUZYCHKA:** All right.

And then Scott responds: “I copied you. I can’t remember the circumstances around Gervais’ departure.”

**MR. POWER:** Yeah, so, I think Gervais retired. I’m not sure why Gervais left.

**MS. MUZYCHKA:** Okay. So that – this conversation was all in relation to if something comes up about Mr. Gervais, you can respond to it.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** All right.

So then we –

**MR. POWER:** I don’t even know if – are we still on the same day here?

**MS. MUZYCHKA:** It would appear to be – Monday.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** Or Tuesday, sorry –

**MR. POWER:** All right.

**MS. MUZYCHKA:** – March 26.

And then there’s another message on Tuesday, March 26, at 2:29 p.m.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And you can just read that.

**MR. POWER:** Yeah, so I’d – so I’m – so I was watching Normand there and he went on a rant – and he did, up here – about forcing SNC – about Scott forcing SNC people to go to site against their wishes. So that’s an observation that, you know, Normand was here and I watched him, most of it, and he was in particular giving Scott O’Brien a real hard time. So I was just texting to Scott there some things that Normand was saying.

**MS. MUZYCHKA:** Okay. And then the next text is later that day from Mr. O’Brien.

**MR. POWER:** And he says – okay, did you want to read it, or ...?

**MS. MUZYCHKA:** No, you go ahead.

**MR. POWER:** Yeah. So Scott says to me: “Did you see the back of Normand’s cross with Budden” – so I guess that’s Mr. Budden there –

“I heard he took a hard run at me. Ed reaches out to Paul about it.”

**MS. MUZYCHKA:** What’s he saying here?

**MR. POWER:** So I don’t know, I don’t remember the – when Mr. Budden cross-examined Normand but, obviously, something was said that caused Scott to send this text to me. I don’t remember what it was.

**MS. MUZYCHKA:** What was it? You don’t –

**MR. POWER:** What it was?

**MS. MUZYCHKA:** – remember?

**MR. POWER:** No, I don’t remember.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** No.

**MS. MUZYCHKA:** So – but then Scott says: “Ed reaches out to Paul about it.” – Ed, being who, and Paul, being who?

**MR. POWER:** I can assume that’s Paul Harrington. Ed, I don’t know who that is. That could be Ed Martin. I don’t know.

**MS. MUZYCHKA:** Okay. Why would Ed Martin reach out to Paul Harrington?

**MR. POWER:** I got no idea.

**MS. MUZYCHKA:** But is he sending you a message? So I’m assuming that you have some knowledge as to what’s going on behind the scenes.

**MR. POWER:** No.

**MS. MUZYCHKA:** Because you say –

**MR. POWER:** It could be Ed Martin talking to Paul Harrington about Normand’s testimony. Scott sent me this at a quarter after 7 in the evening.

**MS. MUZYCHKA:** Right. And you say: “Yes – don’t worry – I’ll get Normand.”

**MR. POWER:** Yeah, so I’m hoping to raise some points here regarding Normand’s character while I’m here today and tomorrow.

**MS. MUZYCHKA:** Okay.

Have you had any communications with Ed Martin or Paul Harrington about testimony or discussions as things evolve at the Commission?

**MR. POWER:** No, I haven’t spoken to Ed Martin in years – you know, maybe five years, five or six years. No, I mean, you know, we all – we’re all watching the Inquiry – well, bits and pieces of it.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Paul watches certain pieces, I watch a certain piece. Yeah, we do talk about what we’re hearing here, obviously.

**MS. MUZYCHKA:** Okay. And then a couple of days pass on Thursday, March 28, 6:38 p.m. You write ...

**MR. POWER:** Yeah. So, what I said – so, on March 28, I was at the site and I received the three transcripts from John Mulcahy’s interviews to review. So, I read the three of them, and as I indicated in my interview with Ms. O’Brien or with you – no, with you – I was more than shocked to hear what was written in those three things that I read. I mean, more than shocked. I was flabbergasted. I was floored.

And it looks like that evening, 6:38 p.m. – I know I was in Labrador. In a moment of, I guess, you know, vindictiveness, I would say, or misjudgment on my part – I remember when we hired Peter – now, Peter’s a great guy; don’t get me wrong. I remember when we hired him, you know, Peter negotiated very strongly for his rate. He got a very good rate, and that kind of stuck in my craw. And I remember John negotiated, when we hired John, for a very high rate, as well, which we ended up doing, and I sent that. Now, after I – you know, would I send that today? No. That was a misjudgment on my part on the spur of the moment.

**MS. MUZYCHKA:** So, what did you mean? You wrote: “Peter Mulcahy is tarred with the same brush –



**MR. POWER:** Well, I was thinking about –

**MS. MUZYCHKA:** – trust me.”

**MR. POWER:** I was thinking about what – where he out negotiated me, I’ll say.

**MS. MUZYCHKA:** Okay. What did that have to do with John Mulcahy’s testimony or his interview evidence?

**MR. POWER:** Well, I took a poke at Peter – wrongly.

**MS. MUZYCHKA:** And Peter Mulcahy is who to John?

**MR. POWER:** That’s – Peter – that’s John’s son –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – who works on the project, who I just – who we just extended – back in that MFL discussion you saw earlier – ’til the end of next year.

**MS. MUZYCHKA:** Right.

**MR. POWER:** He’s a valuable team member. I’m sorry for writing this. But, you know, I did it on the spur of the moment.

**MS. MUZYCHKA:** And this was in response to your reading his (inaudible) –

**MR. POWER:** I was upset when I read about the – what John Mulcahy wrote in his testimonies, and I’m hoping we can get into the – into that here.

**MS. MUZYCHKA:** We will.

**MR. POWER:** Yeah. Well, I was – yes, I was very upset. More than upset. John Mulcahy was on the project for six years – just outside my office. Good morning, John. How’s everything today, John? He spent a lot of time in Scott’s office. And then when I read his – I couldn’t believe it. After six years of working side by side. I – yes, I was upset. Very upset.

**MS. MUZYCHKA:** Okay. And then Scott’s –

**MR. POWER:** And I’m upset that I wrote this about Peter, and that’s why I wanted to – I wanted it redacted. ’Cause I’m sure, you know, he’ll be upset when he sees this. Wrong – you know, wrongly upset, yeah.

**MS. MUZYCHKA:** Wrongly upset? Or rightfully upset?

**MR. POWER:** Needlessly upset.

**MS. MUZYCHKA:** Needlessly?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay.

But Scott responds and says: “I know. I’ve been thinking about it all afternoon.”

**MR. POWER:** Yeah, so I don’t know what that is.

**MS. MUZYCHKA:** Okay.

So now, as you continue on, you say: “I have not mentioned anything to Jeff or Ken McClintock – we need to caucus first tomorrow – me, you, Pat.”

**MR. POWER:** Yeah, so I don’t know what that is. That’s not related to the previous one.

**MS. MUZYCHKA:** And Scott responds: “Agreed. And Paul.”

**MR. POWER:** Yeah, so I don’t know what that is – I don’t remember what that is.

**MS. MUZYCHKA:** Okay, but as you continue down through that –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – you indicated that you’d “sent an e-mail with a one page excerpt from Ken McClintock’s interview notes – it talks about John and Greg not signing the CH0009 recommendation.”

**MR. POWER:** Yeah, so, again, this goes back to Ken was brought in to – we brought Ken in to dig into the CH0009 files, and I guess the – I guess his interview notes indicated that John – I

guess that's John Mulcahy – and Greg Snyder never signed off on the recommendation. And, you know, I wasn't aware – I thought they did sign off.

**MS. MUZYCHKA:** Okay, but – so you've provided Scott with a copy of an excerpt from the interview –

**MR. POWER:** Yeah, which Scott would've had.

**MS. MUZYCHKA:** – testimony.

**MR. POWER:** Scott had these interview notes, but he never had his computer there at the time.

**MS. MUZYCHKA:** Right, so you sent it along. And did you highlight Mr. McClintock's evidence? We're at the top of page 3 of the –

**MR. POWER:** Probably.

**MS. MUZYCHKA:** Okay. And what's Mr. McClintock saying that you took issue with or felt the need to highlight for Mr. O'Brien?

**MR. POWER:** So I had thought – well, I wasn't sure who – what the signature's on it but –

**MS. MUZYCHKA:** Just read what he says first so we understand what your concern was.

**MR. POWER:** "I just sent an e-mail" – is that what you're asking me to read?

**MS. MUZYCHKA:** No, the – from the excerpt from the interview that you'd highlighted. Can you read that?

**MR. POWER:** So, this is Ken McClintock saying: "So, you know, that kinda is the – you know, whoever signed it, they are – really is accountable and responsible to take a look at it. Other than that – well, I mean, you don't see John Mulcahy's name on there, but that's the way he was – ... stepping away. He knew – and also Greg Snyder's name doesn't appear there either. But he was there. I mean, you can tell just by all of the emails."

**MS. MUZYCHKA:** Okay.

So what was the issue with that particular section of Mr. McClintock's testimony?

**MR. POWER:** I think I was just highlighting that Greg Snyder and John never signed off on the evaluation, I guess.

**MS. MUZYCHKA:** Okay.

And, Scott O'Brien responds, "That's the first I've" – heard of that – "I've ever heard of that."

**MR. POWER:** Yeah, I guess he thought they signed it as well.

**MS. MUZYCHKA:** Okay.

And then you say, "we need to talk to Ken tomorrow."

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And –

**MR. POWER:** I mean, maybe there was – you know, the reason we were talking to Ken is to make sure Ken had all the information because as I indicated earlier, Ed Over, who worked for SNC, he was doing all the communicating with the bidders, and Ken, when he was down here, never had access to those emails because Ken doesn't have access to the SNC system. So I wanted to make sure that he had all the information that was – that he would have been looking at when he was here doing that evaluation three or four years ago.

**MS. MUZYCHKA:** And this discussion you were going to have with Ken would include Scott O'Brien, Pat Hussey?

**MR. POWER:** Yeah, 'cause we all had–

**MS. MUZYCHKA:** Paul Harrington?

**MR. POWER:** Yeah, we all had access to these testimonies.

**MS. MUZYCHKA:** But I understand from the next text, "We are at" – and the number is given – "Pat, Paul, Kumar and me." Was that to contact Scott O'Brien so that you could all link in on a conversation with Ken McClintock?

**MR. POWER:** So wait now, so that's the next day, is it?

**MS. MUZYCHKA:** It appears to be.

**MR. POWER:** Yeah, so that's a different – so now we're on a different email – it's a different topic.

**MS. MUZYCHKA:** That's different, is it?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay.

All right. Well, we won't go any further with that right now.

All right. So did you speak to Mr. McClintock about his testimony that he gave in his interview in preparation for his testimony at the Inquiry?

**MR. POWER:** Probably.

**MS. MUZYCHKA:** And was that conversation with his counsel or was it just you and he having a discussion about the evidence that he was going to give?

**MR. POWER:** I think Ken phoned me after the interview, from what I recall.

**MS. MUZYCHKA:** After the interview, but what about before his testimony?

**MR. POWER:** No, before his testimony I phoned him up and asked him: Are you still coming down to our office to go through all the SNC emails from Ed Over? And he said: No, I'm not doing that now. But he never came.

**MS. MUZYCHKA:** Okay. So you didn't see that there were any issues or concerns with – speaking with a witness prior to his testimony at the Inquiry?

**MR. POWER:** Well, he – I never spoke to him before the – because he said he wasn't coming down.

But, no, I never saw any issue because the reason we brought Ken down in the first place was because Grant Thornton were reporting something completely different.

**MS. MUZYCHKA:** Right, but that was sometime before.

**MR. POWER:** Right.

**MS. MUZYCHKA:** Right. I'm talking about just before – 'cause Mr. McClintock indicated that you had discussions with him before and after his interviews and testimony last week.

**MR. POWER:** So we never – so when he had this interview with Commission counsel, I think he phoned me after the interview. But when he was ready to come here on the stand, no, we never – I never had a discussion with him because he never came to St. John's.

Other than I called him to ask him: Are you still coming to St. John's? Because we thought he was coming for Thursday and Friday, the week before he was up here. We thought he was coming to review Ed Over's SNC emails. But other than that, no, I never had a conversation.

**MS. MUZYCHKA:** And –

**MR. POWER:** And I haven't spoken to him since, either – since he was here.

**MS. MUZYCHKA:** So you didn't have any telephone conversation or other communications with Mr. McClintock surrounding this testimony at the Inquiry last week?

**MR. POWER:** No. No, none. None whatsoever.

**MS. MUZYCHKA:** Okay.

Now, we know that you have a cellphone because we've seen your text messages –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – exchanged with Mr. O'Brien. Do you just have the one phone?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And it's the phone that you use for business purposes?

**MR. POWER:** I just have one phone that I use for texting, and I don't – I just delete the texts.

And I'm not on Facebook or LinkedIn or Snapchat or any of that kind of stuff.

**MS. MUZYCHKA:** Do you do iMessaging?

**MR. POWER:** I don't know what that is.

**MS. MUZYCHKA:** You message from your iPhone, other than texts, or from an iPad?

**MR. POWER:** No, just my cellphone.

**MS. MUZYCHKA:** Okay.

And – because you would've received a summons from the Commission –

**MR. POWER:** I did, from Deborah.

**MS. MUZYCHKA:** Deborah, yes, passed –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – that onto you. It was dated April 11, 2019.

**MR. POWER:** Sounds – that sounds about right.

**MS. MUZYCHKA:** Okay. And you were asked to produce all social media or other text messages in any way related to the Muskrat Falls Project or the Inquiry.

**MR. POWER:** That's right, but I didn't have any, I delete 'em.

**MS. MUZYCHKA:** Okay, you had deleted them up to the date that you received notice of that.

**MR. POWER:** Yes.

**MS. MUZYCHKA:** But you didn't provide anything subsequent to that?

**MR. POWER:** Since then?

**MS. MUZYCHKA:** Yes, are you –

**MR. POWER:** Well, I –

**MS. MUZYCHKA:** – still deleting –?

**MR. POWER:** – I've stopped using text since – I got two or three there that are in my phone today.

**MS. MUZYCHKA:** Why do you delete them?

**MR. POWER:** 'Cause I don't like clutter.

**MS. MUZYCHKA:** And how is it clutter to have a text message?

**MR. POWER:** Because I delete texts. It's like I delete trash emails. I just delete stuff.

**MS. MUZYCHKA:** But don't you want to follow along in a conversation that you're having with someone?

**MR. POWER:** No.

**MS. MUZYCHKA:** You send a message; you hit delete.

**MR. POWER:** Well, probably a day later I'll just go in and delete all my texts.

**MS. MUZYCHKA:** Were you aware that the Commission did not receive any text messages from Jason Kean, Lance Clarke or James Meaney?

**MR. POWER:** I'm aware of Jason 'cause I heard him say it here on the stand. Lance Clarke, I got no idea.

**MS. MUZYCHKA:** Okay. And Jason Kean also indicated he had no texts –

**MR. POWER:** Oh, so I heard Jason say that here –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – on this – on the – when I looked at the computer and when he was on the stand here.

**MS. MUZYCHKA:** Okay.

So is it a practice amongst the project management team to delete texts or to –?

**MR. POWER:** Well, Scott obviously doesn't delete his 'cause they're up here on the screen.

**MS. MUZYCHKA:** Right.

**MR. POWER:** And I delete mine. Well I did, I don't delete 'em now since that summons thing. But I don't text anymore, other than, say, you know, do you wanna go to lunch or stuff like that.

**MS. MUZYCHKA:** Have you, at any time, had any discussions with Jason or Paul Harrington or James Meaney about deleting texts or not communicating via text?

**MR. POWER:** I guess, I told Paul that I got the summons, and I told Paul that I don't have any texts 'cause I delete 'em all.

**MS. MUZYCHKA:** But was there discussions prior to that about –

**MR. POWER:** No.

**MS. MUZYCHKA:** – keeping your phones clear?

**MR. POWER:** No.

**MS. MUZYCHKA:** No?

**MR. POWER:** No, it's just what I do.

**MS. MUZYCHKA:** And it's just what the other four individuals do.

**MR. POWER:** So I don't know what Paul does. Jason I heard here. I know Pat Hussey deletes his. Pat told me he deletes his texts, he always did.

**MS. MUZYCHKA:** Okay. All right.

Now, I just want to ask you briefly, and you mentioned that the project management team had prepared a number of slide decks –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – and there was about 10 or 12 of them –

**MR. POWER:** Twelve.

**MS. MUZYCHKA:** – and they were prepared last summer, I gather?

**MR. POWER:** No, they started the last 24th of May weekend.

**MS. MUZYCHKA:** Okay, so last spring.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And they covered various topics.

**MR. POWER:** They covered the topics that were written in those volumes for the most part.

**MS. MUZYCHKA:** So things on governance, oversight, project delivery.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** SNC-Lavalin contract.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** The Astaldi contract.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And so what was your role in the preparation? I understand that there was a number of names on the slide. There was Paul Harrington's, yours, Lance Clarke, Scott O'Brien and – yeah.

**MR. POWER:** Yeah. So I took a large part in preparing the decks. So the information – I gathered all the information, which is, you know – let me step back a bit.

So what we thought when the Inquiry was called and then the Grant Thornton came into the picture, we thought it would be meritorious to prepare the story of the project as we saw it – as the project management team saw it. So then we prepared those five – or four or five volumes, Jason mostly took the pen on those. And then we thought there was merit in preparing slide decks to present to Grant Thornton to present the project management team's view of the project to Grant Thornton.

So, what I did, I took information from wherever I can get it and I – the last 24th of May weekend, actually, I set out the structure: these are the 12 topics. Now, I had feedback from other people, of course. And then we spent probably a couple

weeks putting together the slide decks. So I was – you know, I was involved heavily in preparing the slide decks. I didn't know – I didn't prepare all the decks or I didn't know all the information or about all the information in every deck, but I was heavily involved in preparing the decks.

**MS. MUZYCHKA:** Okay. So you're well versed in what they contain?

**MR. POWER:** Yeah. Now, some of them I can't speak to, like the one about the COREA. You know, we put the deck together but I really can't speak to those topics, but I am very familiar with the decks, yes.

**MS. MUZYCHKA:** Okay. We'll get to those as we move along.

**MR. POWER:** Yeah. But those decks, as I indicated, were done to help this Inquiry, that's why we did that and it says that right upfront.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Now, with respect to SNC, you had indicated that you were involved heavily in the –

**MR. POWER:** Yeah. So back to the model discussion earlier, when we decided to go with the EPCM approach, some people were for it, some was against it – some were against it. I was for it because that's what I knew; I was with ShawMont for 23 years –

**MS. MUZYCHKA:** Okay. We'll get to that in a second.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** I just want to get you to indicate the difference between the models that you were debating at that time, so –

**MR. POWER:** Did you want me to talk about the models?

**MS. MUZYCHKA:** Yes, so there was –

**MR. POWER:** All right, so the first model, which is what – and I think it was more,

basically, landed on perhaps even before I got on the project – was the – hire an engineering company to do the engineering. That same company would provide people but it would be an integrated team, an owner-led integrated team.

A company would provide resources to that team, people, and that company would also do the engineering. So that was called an engineering and project support services model, but it was an integrated team with engineering and people being provided by one company.

So we went from that to the ECM model wherein you'd have an overarching owner's team doing the overarching management of the project, but a company like SNC-Lavalin or Hatch would provide engineering, procurement and construction management services, EPCM.

**MS. MUZYCHKA:** Okay. I am just going to bring you to Exhibit P-01817 and it's in your binder 2 at tab 92.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** And that's one of the slide decks that you had indicated you had prepared.

**MR. POWER:** That I participated in –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – the preparation of, yes.

**MS. MUZYCHKA:** Okay. So we'll just go to page 5 –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – and see the options that you are describing.

**MR. POWER:** Yeah.

So what we have on this page then are three options: option 1, 2, 3. So option 1 was the option I just talked about and, again, it – you know, it got formulated back in 2007 when I wasn't on the project. But the approach was there would be –

**THE COMMISSIONER:** I've already heard you describe that one.

**MR. POWER:** Okay.

**THE COMMISSIONER:** So let's go to number 2, option 2.

**MR. POWER:** So option 2 then would be – you'd have – a management team which is the blue, LCP, the overall management of the project, and you'd have a contractor that would provide engineering, procurement and construction management services. And then, down at the bottom, you'd have construction contractors who would actually do the work.

So the construction contractors would have the carpenters and the labourers and all that. They'd do the work. The EPCM contractor would do the engineering, procurement and construction management which is the management of those contractors.

**MS. MUZYCHKA:** Okay.

And so the preferred approach was number 1.

**MR. POWER:** At that time.

**MS. MUZYCHKA:** Right.

**MR. POWER:** In 2007-2008.

**MS. MUZYCHKA:** Right.

**MR. POWER:** That's correct.

**MS. MUZYCHKA:** But then that's not ultimately what happened. So if we go to page 10.

**MR. POWER:** Yeah.

So do you want me to talk about this (inaudible)?

**MS. MUZYCHKA:** Yes. So, essentially, the – why did you ultimately choose to go with the EPCM approach?

**MR. POWER:** Okay so when we went out – back to option 1 – we went out with an expression of interest to six companies to

provide engineering and people to support an integrated team, they more or less indicated that they would support this model. But in visiting their offices they were leaning more toward providing for EPCM services instead of engineering only with support people.

So having gone through that expression of interest process with those six companies, we discussed it internally and for the reasons, I guess, noted on slide 10, we decided to change our model from option 1 to option 2, being the EPCM approach.

**MS. MUZYCHKA:** Okay.

And then you went through the process of reviewing each of the companies after you had put out –

**MR. POWER:** So when – yeah. So when we decided we were going to go with the EPCM model, then we put together a request for proposal, an RFP, for EPCM services. So I was heavily involved in that, so I wrote the scope of work –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – which is one of the exhibits here.

**MS. MUZYCHKA:** Yes, and it's exhibit –

**MR. POWER:** And I participated in some of the coordination procedures – the project coordination procedures which are part of the SNC contract, which clearly define how the EPCM company will – you know, will interface with us with respect to project controls, risk management, technical integration and things like that.

**MS. MUZYCHKA:** Okay.

So going from the integrated LCP team to the EPCM was a major shift in focus for Nalcor in terms of management.

**MR. POWER:** Yeah, it was a model change. Yeah, it was a – yeah.

**MS. MUZYCHKA:** Yeah.

And – because it affects how much involvement Nalcor would have in the project clearly.

**MR. POWER:** Well, Nalcor, with both would maintain oversight as is shown on page 13 of this deck. So I prepared these visuals here. So with the EPCM model, which is what we're seeing here on page 13, we had broken the project down. So yellow is SNC-Lavalin here and blue is Nalcor.

So Component 1 – so with respect to Component 1, hydroelectric development, SNC-Lavalin would do the engineering and procurement and they'd do the construction management. And then the contractors, which is grey down below, they would actually do the construction or supply the equipment.

For Component 3, which was the converter stations and electrodes and the Straight of Belle Isle cable and whatnot, SNC would do the same thing, and for Component 4 it was much the same.

**MS. MUZYCHKA:** Right.

So Nalcor's involvement is –

**MR. POWER:** So Nalcor is the oversight, focused management and control of – as, you know, project controls, cost oversight, contracts/procurement oversight and so on. And when we prepared the project execution plan, appended to that there's a matrix of responsibilities and that matrix clearly defines the owner responsibilities versus the EPCM consultant's responsibilities.

**MS. MUZYCHKA:** Now, is that a true EPCM model when you have that much oversight by the owner?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** Yes?

**MR. POWER:** Yeah. In fact, today, in today's world – and that's been – that was affirmed by – we've all heard this Inquiry talk about IPA Inc., Independent Project Analysis Inc. That was one of their key messages: Strong owner's team. And when they came and did an assessment of

our team in 2015 and they scored us better than average, they talked about that in there as well.

**MS. MUZYCHKA:** All right, so we know ultimately SNC was chosen for the dome.

**MR. POWER:** Yeah, so we went through the request for proposal process. We went through – we went out to SNC-Lavalin, we went out to Hatch and we went out to Black & Veatch because they were joined in with MWH. And four of those companies had fallen out of the expression of interest work that we did earlier when we went to six companies.

So we went to those three. Turns out that regarding Black & Veatch and MWH, that they had a rift just before their proposal came in so MWH dropped out of that proposal. Now, MWH were bringing the hydro design. That came out of Harza, which is a big hydro company in the US.

So, Black & Veatch – so they lost a key part of their strength, which is the hydroelectric engineers who could design powerhouses. So they kind of fell out and we were left with SNC and Hatch. So then for the best part of 2010, we set up an office over on Pippy Place, and so myself and Pat and Bob Barnes moved over there away from the rest of the project and we issued the proposals, we went to the SNC offices several times and the Hatch offices, we had presentations, we did the evaluations, and Ken McClintock joined us over there as well on the commercial side to give us a hand. And at the end of 2010 – and this is a very long process – at the end of 2010 we had selected SNC-Lavalin and we signed a letter of intent with them.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Did the decision to go to EPCM model require you to make any adjustments in your organization to facilitate that change in execution approach?

**MR. POWER:** So if we never went with the SNC model, the organization would've built up to what it is today. Because we went with the EPCM model, you know, the organization we had, yes, we embellished it, but not to where it is



today. So it didn't affect the organization much because it was early days. The big effect was when we changed from the SNC model to the integrated team that we have today, then that was a much bigger effort, let's say.

**MS. MUZYCHKA:** All right. So why did you ultimately choose SNC over Hatch?

**MR. POWER:** So we had a – we had in our – we had a bid evaluation plan, as we do for all our contracts, that you've seen. And the bid evaluation plan had all the criteria laid out, you know, technical, quality, EHS, commercial, the questions, the scoring and so on. So that's – when we were in that building on Pippy Place, me and Pat and Bob Barnes and Ken, for months that's what we did. We scored – when we got the proposals in from SNC and from Hatch, we, you know, we scored the proposals in accordance with the bid evaluation plan, and at the end of the day, SNC scored higher than Hatch did.

**MS. MUZYCHKA:** Okay.

And SNC – you indicated in your interview that they had significant experience in megaprojects –

**MR. POWER:** So –

**MS. MUZYCHKA:** – and major civil engineering projects. There's a couple of exhibits we can pull up – P-03682 at tab 30 of Ron Power binder 1.

**MR. POWER:** Thirty?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Yeah – so what this exhibit is, so – so when we received the responses to the expression of interest in 2009, in those responses of interest in the SNC documentation they included this listing of projects. So I pulled that out, and there's two types of projects they listed there. They listed their hydroelectric projects over \$100 million, which is this tab we're looking at now. So what's in yellow is engineering type of work.

So what we saw from the hydro division is for the most part, they do technical type of work. So

starting at the top – so with respect to Romaine-2 project they did engineering; Eastmain, engineering with some work supervision; Shipshaw, they had – the hydro division actually did the full EPCM, so Shipshaw is a hydro project in Quebec that I visited. It's about, I think, \$150 million project, so it's not a megaproject.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And by the way, one of the SNC construction managers, Laird Paton, was construction manager on that project, and he came to work with us – just an FYI – and going down that page you can see, going back over the years, most of the work that the SNC hydro division has done is engineering.

Now on the second page, right at the bottom I got some pink highlighted there, that was Granite Canal, of course, which is a project here on the Island. I think the total cost of that project was \$135 million or something. So SNC were in a joint venture there, with the remnants of ShawMont, which is AMEC – so they did EPCM there – but for the most part, you can see the hydro division does not do megaproject EPCM; they do the engineering. They bring the technical strength.

**MS. MUZYCHKA:** But you ended up going with them.

**MR. POWER:** Yeah, but I – but if you go to tab 31 –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – which is the next tab.

**MS. MUZYCHKA:** Yes, it's Exhibit P-03683.

**MR. POWER:** So, again, in the same response to the expressions of interest from SNC, in addition to the hydro pages we just saw, so the – it showed that outside of the hydro division – so if you just look at the first three on the top, the Inco Nickel Project in New Caledonia, the Ambatovy and this one in Brazil, three of those they did EPCM and those are all megaprojects. These are billion-dollar, you know, billions-of-dollar projects.

So the project management and the PCM strength was coming out of the other parts of SNC-Lavalin, whereas the technical expertise was coming out of the hydro division. So that's what we saw. We saw a company that had the strength globally.

**MS. MUZYCHKA:** Right. For both the engineering and the procurement and –

**MR. POWER:** Construction management.

**MS. MUZYCHKA:** – execution management.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay.

All right, so the project was awarded to SNC and –

**MR. POWER:** EPCM services.

**MS. MUZYCHKA:** EPCM services.

**MR. POWER:** Yeah.

**THE COMMISSIONER:** I wonder is this a good time to take our break? I just noticed it's 11:30 now.

**MS. MUZYCHKA:** Sure.

**THE COMMISSIONER:** Or almost 11:30. So we'll take a break for 10 minutes then, now.

**CLERK:** All rise.

### Recess

**CLERK:** All rise.

Please be seated.

**THE COMMISSIONER:** All right, Ms. Muzychka?

**MS. MUZYCHKA:** Before we continue with the witness, there are a number of other exhibits that I should've entered this morning when we started. And these are in the project management team binders. They are P-01950 and P-03635 to P-03673.

**THE COMMISSIONER:** All right, those will be entered, as well, as numbered.

**MS. MUZYCHKA:** Thank you.

All right, Mr. Power, just want to ask you briefly about Exhibit P-00858, which is at your book – binder 2, tab 93.

All right, and this is another slide deck that was prepared in relation to SNC-Lavalin. Jason Kean had testified that this would've been a presentation that you had put together. Is that correct?

**MR. POWER:** Yes, I believe I put this together.

**MS. MUZYCHKA:** Okay.

And so on page 2 of the slide, it tells us that SNC proposal in February 2011 estimated SNC's cost for their own services at 2.5 million work hours. And then when the December 2011 estimate came in, that number grew to 5.5 million hours.

**MR. POWER:** That's correct.

**MS. MUZYCHKA:** Okay. And if we look at page 3, we look at the difference in the cost that – the difference in work hours was worth approximately \$350 million.

**MR. POWER:** That's correct.

**MS. MUZYCHKA:** So what – I'm – go to the next slide, on page 4. There are, obviously, major issues identified: "Unacceptable expectations for EPCM resource requirements." And you say: "The Project will not pass through DG3."

So, how is it you're connecting the EPCM estimate with the project not being able to pass through DG3?

**MR. POWER:** Yeah, so I'm not sure I actually did any analysis to show that. But what I was doing was challenging everybody regarding the numbers that I was seeing.

**MS. MUZYCHKA:** Were you concerned that a high estimate could prevent the project from being sanctioned?

**MR. POWER:** Well, I was concerned that the – so whether the high estimate would preclude passing through DG3, you know, I can't recollect really – whether or not really I dug into that. I think I was more making a point here that, you know, we need to really look at this and get smart about, you know, the resource requirements to get that number down.

So I think this was more of a message that I was to – trying to convey whether actually, you know, looked at or considered but that this would stop us getting through DG3 or not.

**MS. MUZYCHKA:** Okay, so there was clearly concerns right at the outset as to SNC's approach.

**MR. POWER:** Well, there was a – yeah, there was a concern when I saw that number, yes.

**MS. MUZYCHKA:** And then if you'd look at Exhibit P-03684, and that's found at tab 31 of book 1 of your exhibits.

**MR. POWER:** Tab which?

**MS. MUZYCHKA:** Thirty-one – or, sorry, 32.

**MR. POWER:** Thirty-two?

**MS. MUZYCHKA:** And this is a letter from SNC-Lavalin –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – to you on – dated 19 December, 2011. And perhaps you can explain what this is all about?

**MR. POWER:** Yeah. So, when we awarded the EPCM agreement to SNC, the project manager that was identified in the proposal and who came to the project in February 2011, his name was Francois Couturier. So in December 2011, which is, you know, 10½ months, 11 months later, we were informed that Francois will no longer be the project manager for Component 1. He's gonna move back to Montreal, which he did. He stayed on the project as – in capacity of, like, a VP of engineering up there –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – but he left the project.

So, SNC, then, had proposed a replacement for Francois, an individual named Johnny Colasurdo. So, Mr. Colasurdo – Johnny, I'll call him – came to St. John's, and I interviewed him with some others. I know Jason Kean was there, maybe Scott O'Brien; I'm not sure.

Now, Johnny, he knew Normand well; he was a very respectable person or he – you know, a very polite and engaging individual, I'll say. And I think he had worked with Normand before on some projects in Quebec.

So he was being interviewed for the role of Component 1 project manager. So in the interview then, I had some drawings and sketches, so I described the project to Johnny and I explained how the Muskrat Falls is big hydro structures, but in a relatively contained area, things like that.

So then I asked him – I said: Johnny, if you became the project manager, how many people – how many EPCM people would you have at the Muskrat Falls site? And he thought it over for a bit and he said 700. So then I said, well, let me explain the layout again. I said there are no perimeter dams and canals, so you don't have to drive 50 kilometres here and there to look at structures; it's all in one contained area. And he thought about it a bit, he said: I'd probably get away with 500.

Now, 700 people and each person is \$1,200 a day when you consider fees, living allowances and that kind of stuff – that's the average cost of an SNC person on the site. So 700 people at \$1,200 a day for 243 days a year – because that's how it works out with the rotation – for four years, that's something like 6.8 million hours and it's almost \$700 million.

So now – so, originally then, the estimate was 2.5 million for the complete EPCM services. Then in December we get an estimate from Normand, it's 5.5, and now I'm interviewing Mr. Colasurdo and he's saying it's 6.8 million just for the Muskrat Falls site team.

Now, Muskrat Falls is half of the Lower Churchill Project. So if you take that thinking to a site team at Churchill Falls where we have the

large switchyards and switchyards extension; the two transmission lines that go from Muskrat Falls to Churchill Falls, 265 kilometres along each; the HVDC converters and the AC switchyard and the GIS switchyard at Muskrat Falls –

**MS. MUZYCHKA:** So I take it you're obviously saying that their estimate, or Mr. Colasurdo's estimate, was –

**MR. POWER:** What I'm saying is if you take that approach to the remainder of the project, you're up to another 6.8 million people.

**MS. MUZYCHKA:** Right. So you rejected him on the basis that his –

**MR. POWER:** Well, it was like if you believe the earth is round and someone comes in and believes the earth is flat, even though they're nice people you don't hire them because you just come from a different viewpoint. So, no, I never hired Mr. Colasurdo.

**MS. MUZYCHKA:** Okay, but that didn't sit well with Mr. Béchar and he wrote you that letter on –

**MR. POWER:** Yeah –

**MS. MUZYCHKA:** – December 11.

**MR. POWER:** – he was shocked but, again, that was the different thinking from what was in SNC's proposal versus what we were starting to see.

**MS. MUZYCHKA:** Okay.

Now, there were some performance issues, as well, fairly early in the game. If we look at P-01817, which is at binder 2, tab 92, we're going to go to page 17.

So you had indicated in your interview that SNC hadn't brought the team that was in the proposal. I think you said they didn't bring the A team.

**MR. POWER:** Yeah, so this was an example of some of the people who never showed up right here.

**MS. MUZYCHKA:** We have the HVDC specialities project manager, the QA manager.

**MR. POWER:** Yeah, the –

**MS. MUZYCHKA:** (Inaudible.)

**MR. POWER:** – environmental manager. These are the people who did not mobilize. But in addition, then, there were people who did not stay long.

**MS. MUZYCHKA:** Okay, that's the next slide at page 18. You're indicating –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – this –

**MR. POWER:** Yes, this shows the turnover.

**MS. MUZYCHKA:** Right.

And so how did you deal with that?

**MR. POWER:** So, you know, in the supply chain world – for example, when the supply chain manager, Ian Hendry, who was in the proposal, his wife got very ill and she eventually passed away. So he was only on the project five or six months and during that time he spent a lot of time away to wherever his wife was. So Pat Hussey stepped in to fill that void.

So even though Pat was on the owner's team, you know, to be overseeing, actually, Pat actually stepped in and did the work and produced all the templates that you see today –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – because we had to fill the gaps.

On the Component 1 project manager side – so François left in December 2011, François Couturier. We never accepted Johnny Colasurdo. So when we – so from then, until the end of 2012, which is over a full year, SNC only had a project manager there for a short time, an individual named Mr. Alfy Hanna and he was an executive VP that came out of the oil and gas division somewhere in the Middle East.

So because there wasn't a dedicated project manager during that period, Scott O'Brien morphed into that role. So we filled the gaps, so we – and, you know, SNC weren't able to bring the planning expertise that was required, so we had some very experienced planners – now, they had some good planners but they never had enough. So we put our planners with SNC planners to fill the planning gaps.

**MS. MUZYCHKA:** Okay. What about the engineering? Wasn't that moved then to Montreal because you couldn't –?

**MR. POWER:** Yeah, so the engineering – so we had the three components, of course. So Component 1 – which is the hydroelectric engineering, which the Montreal team are probably the best in the world at, I would say – some of those key people moved to St. John's in 2011, but there weren't enough so the engineering wasn't getting done to – as fast as it needed to.

So I made the decision – now, we had a benefits agreement here in the province and rightly so because, you know, we did it in the oil industry; old Andy Wells was the champion of that. And I said in my interview with Ms. O'Brien that they should give him a medal and put a statue up providing all that work for the graduates from Memorial University, and I believe that.

But, anyway, the engineering wasn't getting done, so decided to perform, to specialize – because it is specialized engineering. We decided to perform the specialized powerhouse Component 1 engineering to have it done in Montreal. So, we did that, so François, who had moved back to Montreal then as the VP of engineering – so he managed that.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** The engineering for the transmission lines stayed in St. John's. Once that got rocking and rolling that was okay. And for the HVDC side, you know, that was kind of an integrated effort as well, because we had a lot of Nalcor people with a lot of experience.

And Nalcor – we brought in the company called TransGrid out of Manitoba, who were HVDC specialists. They were heavily involved. As well,

SNC had some very good people, as well. So they kind of, you know, intuitively worked together to get through, to produce the functional specifications for the HVD side –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – HVDC side.

**MS. MUZYCHKA:** And I also understand there were some problems with the document controls system that SNC had brought to the project.

**MR. POWER:** Yeah, so that was – so that was another area so –

**MS. MUZYCHKA:** So they had a program called PM+?

**MR. POWER:** So SNC brought – have a project management system called PM+, which if deployed fully, I'm told, can be a very powerful tool. So I know Ken McClintock is very familiar with it because he worked with SNC for years and he was a project controls guru, I'll say. And I know Pat Hussey, on the supply chain side, was very familiar with it.

But on the Lower Churchill Project – and we've written letters on that, which are referred to in this presentation here – the full power of PM+ wasn't brought – a part of PM+ is a document control system called PDMC, I think, so that never got fully implemented on the Lower Churchill Project. There was a lot of struggles with that –

**MS. MUZYCHKA:** And so did you bring in your own system then, as a result?

**MR. POWER:** So, in the meantime, we had sourced – we went through a system called Documentum and then we sourced Aconex, which is web based and very modern, I'll say, compared to the mainframe systems that SNC had been proposing, which was '80s and '90s technology.

So, we put together a document management, or information management, we called it, task force, and the outcome of that was, for the most part, an integrated team using the Aconex system that we have today. So –

**MS. MUZYCHKA:** And so this was at the direction of Nalcor, not –

**MR. POWER:** No, that was the direction – yes, that was the direction of Nalcor.

**MS. MUZYCHKA:** Right, so – and Nalcor started to take over the process of document control and put forth the program that would be utilized.

**MR. POWER:** So, with respect to document control, I would say there were more Nalcor people, eventually. There was SNC document controllers in the team as well, but using Aconex you could do it with a lot less people than with the old mainframe technology, which was the PDMC approach.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And every document controller, like every secretary, is a million dollars. So if you bring someone on the project, and they're going to be there five or six years, and there's fixed fees and all this kind of stuff, everybody's at least a million dollars. So if you can reduce the number of document control staff, say, from 25 down to 10, which is what we did, then you're saving \$15 million so ...

**MS. MUZYCHKA:** Okay.

I understand, too, there was some issues with technical specifications early in the progress. Can you give us some examples?

**MR. POWER:** Yeah, so – and there's a letter in here somewhere on that – so when we were doing – when we were getting prepared to put – to do the bulk excavation contract, contract number 0006, the individual who was preparing the specifications – he's since deceased – he was struggling with the format. So I had a lot of information regarding specification formats in my tickle trunk, I'll call it, from all the projects I worked on and Newfoundland Hydro, as well, because they had finished Granite Canal fairly recently.

So, we – I wrote a letter describing the format that the specifications needed to be and is in accordance with the national standards and all that and it's in the letter. And after that it got

sorted out. But, yes, there were struggles in the beginning.

**MS. MUZYCHKA:** Okay. Was there any thought given to de-scoping SNC as you were finding –?

**MR. POWER:** So, SNC had and still have some very good people – very good people. The issue was they couldn't bring enough. They couldn't bring enough. So, we had to augment, and eventually, with the integrated team we went to, which was different than this first model we talked about here today, because the integrated team busted open their resource pool to everybody.

So, in the integrated team – I'm jumping ahead of myself here now, I know.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** But in the integrated team, we weren't limited to what SNC could recruit. Now we recruited from Hatch, from Stantec, from Amec, from Kenny Construction, from PMX, from all the agencies here on the East Coast and elsewhere, from Rider Hunt, from Knightsbridge. So, the team that we eventually put together came from everywhere but they all wore one hat – project delivery team.

So, that was the model we eventually went with.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So, to change – no – so, to answer your question, I think – to actually change out SNC to someone else, no, because it was a process, and we wanted SNC and still do because they had great people. And we did use parts of PM+ and still are for cost management and, you know, certain project controls functions. So, it just evolved into a different model.

**MS. MUZYCHKA:** So, it wasn't an overnight decision – moving from the EPCM.

**MR. POWER:** No, it happened during 2012.

**MS. MUZYCHKA:** Right. And by 12th of March, 2013, it was announced that –

**MR. POWER:** Around that time frame. Yeah.

**MS. MUZYCHKA:** – the integrated management team was now the model that was being used for the project.

**MR. POWER:** Yeah. March or April of that year.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay. And who was involved in these discussions?

**MR. POWER:** Me.

**MS. MUZYCHKA:** You?

**MR. POWER:** I was one of the key – because I was general project manager managing down – which is the, you know, the work scope. Yeah. So, I was the key one and, of course, you know, other project managers: Paul Harrington, Lance. But I would say I was the one pushing for it.

**MS. MUZYCHKA:** Anybody else would have been involved in these discussions?

**MR. POWER:** Well, I mean, it's a small office. So, we're all – you know, we meet every day or whenever as managers and talk about these things.

And, you know, there were discussions as well at the steering committee level between Nalcor and SNC. So, Paul Harrington and Lance and Gilbert, they were on the steering committee. They would meet often with the SNC steering committee people and talk about the integration efforts and – so – and the other thing this Inquiry needs to keep in mind, we changed to the integrated team model not because we wanted, because our preference was to go with the EPCM model. That's what we started out – that's what we evolved into. But it wasn't happening as it needed to happen, so we went further into the integrated team model out of necessity.

So it wasn't a decision that was taken lightly because it was a ton of work to do it and get all the procedures in place and everything. You

know, it was a lot of work. It was a monumental effort, and we were into the project when we were making this management change.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** So when you started to make the change to the integrated management team, you would've had to start filling positions 'cause you wouldn't have had the number of individuals necessary to –

**MR. POWER:** Yeah, we had to – you know, we kept on, you know, a lot of SNC people, you know, but the organization evolved, yes, and we ended up recruiting, over the years, a lot of people.

**MS. MUZYCHKA:** So did your role change once the project management had moved to an integrated management team?

**MR. POWER:** Well, it did because if it had to proceed as strictly EPCM, then my role would've been managing the EPCM consultant or contractor. But it changed to actually managing the E, the P and the CM.

**MS. MUZYCHKA:** So your role expanded?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** You had a larger role?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay.

So you said that you'd kept SNC as the engineering contractor, but the project support was handled by a number of different contractors or engineering firms?

**MR. POWER:** No, so SNC did and still do maintain – you know, they maintain the liability for the engineering that's under their scope. Now, engineering, say, for the converter stations, SNC don't do that; the converter station supplier does that. Or the engineering for the turbines and generators, SNC never did that; ANDRITZ, the turbine and generator supplier, did that. But the things that SNC engineered,

like the Component 1, the powerhouse – they produced the drawings and the specs for the powerhouse – yes, they carried on doing that and they have the liability for that.

With respect to the other aspects of the project, you know, procurement, construction management, project controls and so on, you know, there are, there were, and still are SNC people in the integrated team.

**MS. MUZYCHKA:** But that also includes people from Hatch, Stantec, et cetera.

**MR. POWER:** Yeah, and agencies and – yeah, there's probably, I don't know, 30 organizations who are supplying people for the project.

**MS. MUZYCHKA:** Would that have changed in terms of where on the budget these costs associated with this would fall?

**MR. POWER:** So, it's cheaper to bring people in through agencies than it is through SNC or Hatch, right, if that's the question.

**MS. MUZYCHKA:** Yes. I guess it is included under the owner's budget or under the consultant's.

**MR. POWER:** Well, now – so now, there's one – yeah, now it's the – they're all in one pot – or that person, if you hire a person to do a job, if that person comes in through an agency – say, the NSP or some agency here – that person will cause less – cost less than if that person comes in through SNC or Hatch or Stantec, because those big companies have a big machine to keep running so their – you know, their overheads and fees are obviously more.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** All right.

So, I want to move now to talking about CH0007, which is the powerhouse and spillway.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** In the first Phase of the Inquiry, we've heard a lot about the P1 and the

P3 schedule. And in your interview on February 6, you indicated that you knew the schedule for first power in 2017 was very aggressive.

**MR. POWER:** Yes.

**MS. MUZYCHKA:** You also indicated that you had called a meeting down in Muskrat Falls, before CH0007.

**MR. POWER:** No, it was in Torbay Road.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Before it went out to bid –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – with Lee Stanton, Normand Béchard, Luc Turcotte and John Mulcahy.

**MR. POWER:** There may be others.

**MS. MUZYCHKA:** There may be others? Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And that they told you that the concrete schedule for the Astaldi contract was achievable.

**MR. POWER:** Well, there was a lot of bantering back and forth about, you know, being able to be working six days a week and how many days it will take to do a pour, we –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – but yeah, so I came out it with assurance that the schedule was aggressive but, you know, could be achieved. But it was aggressive, yes.

**MS. MUZYCHKA:** You were starting off, pretty well, with a very low probability of achieving the schedule at a P1 or P3.

**MR. POWER:** So, I think Lee Stanton's schedule had working six days a week instead of seven. So, I think there was a bit of float there.



**MS. MUZYCHKA:** Is that what reassured you? Was the fact that –?

**MR. POWER:** Well, I knew it was aggressive but, you know, our mandate was, you know, go hard.

**MS. MUZYCHKA:** Did you think the schedule was realistic, notwithstanding your instructions?

**MR. POWER:** Well, I thought it could be achieved.

**MS. MUZYCHKA:** You thought it could be achieved?

**MR. POWER:** If everything went right, yeah. But it was aggressive.

**MS. MUZYCHKA:** Okay.

We understand, too, that Paul Lemay did an estimate and so did John Mulcahy, in terms of price.

**MR. POWER:** And Paul Hewitt, there was three –

**MS. MUZYCHKA:** Three.

**MR. POWER:** – three estimates done.

**MS. MUZYCHKA:** And all these estimates were higher than what the SNC estimate had been. Is that correct?

**MR. POWER:** No. No, the – so Paul Lemay did an estimate, John Mulcahy did an independent estimate, and Paul Hewitt did an independent estimate. And those three estimates came in close to each other, you know, within 4 or 5 percent or something like that. They were close. That's what I was told.

**MS. MUZYCHKA:** Okay. And was it terms of the schedule or the cost?

**MR. POWER:** What's that?

**MS. MUZYCHKA:** Were the estimates in terms of schedule and cost?

**MR. POWER:** So I'm talking about the cost estimates.

**MS. MUZYCHKA:** The cost, okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And so, were they – did those estimates give you any concern, reason to be concerned?

**MR. POWER:** So I put faith in – you know, the – you're talking three very experienced people. That's why we hired Paul Lemay, that's why we hired John Mulcahy, and that's why we hired Paul Hewitt. So I'm not an estimator, you know. They are the estimators.

**MS. MUZYCHKA:** Okay.

Let's turn to exhibit P-01964, it's in your binder 2, tab 95.

So this is the award recommendation for CH0007.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** You are not on the bid evaluation team. Is that correct?

**MR. POWER:** I am on the – I'm on the management team.

**MS. MUZYCHKA:** You are listed as the general project manager. But did you have –?

**MR. POWER:** Oh. Yeah, that was my title on the cover.

**MS. MUZYCHKA:** Did you have a role in the evaluation of the bid?

**MR. POWER:** No. So I never did any of the evaluation, I got reported to.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So I was on the management team that the bid evaluation team would report to.

**MS. MUZYCHKA:** So who was on the bid evaluation team?

**MR. POWER:** Yeah. So if you look at page 3 in here, so it says: Evaluation of Proposals. Oh,

sorry, page 5, in the red text. I'm sorry. Page 5, okay. So it says: Evaluation of Proposals.

So, the second paragraph there says: The bid evaluation was done by two separate teams working in isolation; one was for the commercial, and one was for the technical side of it. So the technical evaluation was led by Luc Turcotte. So Luc is a very experienced SNC engineer and he had the position of area manager for the powerhouse and spillway, in line with the proposal, the area management approach. And Laird Paton, who I mentioned was the construction management for Shipshaw, we brought Laird on, and Laird was one of the leads.

And the people who supported it, right at the top of the list, there you'll see John Mulcahy. So John was our hydroelectric construction specialist that I hired in May 2011, for the express purpose of getting involved in contracts like this, for these civil contracts, that's why I hired John Mulcahy. John had 15 powerhouses or something under his belt. I hired John two years before this, and when this came up, John went on the team; he was the Nalcor senior person in here.

And that whole – another whole bunch of names as you see there, some of which are SNC. Lee Stanton is in there, for example. André Mosser. And some of these people are Nalcor people.

So this was the technical team.

And then, if you scroll down further, there was a commercial team. So the commercial team was lead by Ed Over. So Ed Over was with SNC at the time, so Ed came out of Ontario Hydro or Hydro One, whatever it's called these days. So Ed was the commercial – Ed was the senior manager on the Lower Mattagami project in Ontario, that hydro – Ontario Hydro did. So the Lower Mattagami project in Ontario had a similar contracting arrangement as this, unit prices and a target cost of labour.

So that's – so when we went out for the bid, for CH0007, we went out with unit prices only, you know, the classical, traditional. The bidders came back and stipulated or said or insisted that we're not gonna bid a unit-price contract; we want a contract that has – the labour's separate,

and a target cost of labour and all that. So Ed was very familiar with that, so he introduced us to that. So Ed was the leader then, on the SNC side, for the commercial.

And then the other engineer, there was an individual Ron Adamcyk, and Ron's – Ron is a very experienced engineer, he sat outside of my office and he actually prepared the contract documents for the Jebba hydro project that worked on many years before that. So he was a very experienced individual.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And then we had support from Aiden Meade, who is with McInnes Cooper, and some others there, including Paul Lemay. So there was a commercial group and a technical group of very experienced people, led by SNC, who evaluated this contract, evaluated the proposals and who made the recommendation to people like me.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** All right.

So we're gonna jump ahead now to – the contract is going to be awarded to Astaldi –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – but there was some delay, and we know that there was a Limited Notice to Proceed that was issued – awarded in September of 2013. Do you recall that?

**MR. POWER:** Yes, the Limited Notice to Proceed –

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** – was awarded in the middle of September or something –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – 2013.

**MS. MUZYCHKA:** And I think that's Exhibit P-02139. It's not in your binder but –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – just for reference.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And I understand that from the outset you had difficulty with Astaldi's scope of work under the Limited Notice to Proceed?

**MR. POWER:** No, I had – in November time frame –

**MS. MUZYCHKA:** Mm-hmm.

**MR. POWER:** – I had difficulty, and I think there's an email somewhere that we went through, that the items that were listed in the LNTP scope of work that Astaldi were supposed to do, they were – I think they were paid \$15 million or something, under the LNTP. I believe that's the amount. I had the concern that the activities that were supposed to be completed under the LNTP weren't getting completed to – as in the manner that I saw they should be.

**MS. MUZYCHKA:** Okay. And did you do anything about that at that time?

**MR. POWER:** Well, I wrote an email expressing my concern, and we would've talked about it internally, for sure, yeah, yeah. But we awarded the contract in November –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – and, you know, by that time I think we were good, that –

**MS. MUZYCHKA:** Do you have any sense as to why Astaldi was not fulfilling the full scope of work under the Limited Notice?

**MR. POWER:** So I have a sense, you know, that Astaldi weren't quite in with both feet, because the contract wasn't awarded – the LNTP was awarded, but that had an out clause, you know, that it could go no further than that. I don't think they really jumped in with both feet.

**MS. MUZYCHKA:** So it's the uncertainty surrounding the award of the contract that –

**MR. POWER:** I think so, yeah.

**MS. MUZYCHKA:** – dampened, I guess, perhaps their (inaudible) –

**MR. POWER:** It's kind of the sense I was getting. Now, I wasn't, you know, dealing with the higher echelons of Astaldi, the steering committee, all that much, but ...

**MS. MUZYCHKA:** Okay.

So you said the contract was awarded then, November, I think it's the 29th of November 2013.

**MR. POWER:** Yeah, around that time. Yeah.

**MS. MUZYCHKA:** And were there concerns regarding the ability of Astaldi to meet the demands of the project and for the overall project milestones being met by an award that late?

**MR. POWER:** So the award was delayed until then for – because of the financial close requirements. We got a – it was discussed with Astaldi. I know Lance Clarke was in extensive discussions with Astaldi, and they gave us the assurance that they could meet the milestones and they signed some kind of a waiver saying that.

So, you got to remember now, Astaldi are the fifth or sixth largest hydro constructor in the world. So, you know, I'm not, but they are. So, you know, you got to put credence in the entity that we just awarded the contract to. That if they say they can do something, and they do these big projects all over the world, that they can do it.

**MS. MUZYCHKA:** Okay. But I guess that's where the experience on the management team comes into play. That if you have experience with megaprojects and with hydroelectric projects that you can make an educated evaluation and determine whether or not –

**MR. POWER:** Well, we had the experience –

**MS. MUZYCHKA:** – Astaldi's (inaudible) –

**MR. POWER:** – on the management team because all the people who recommended this award were all very experienced people.

**MS. MUZYCHKA:** Okay.

Let's just pull up Exhibit P-03140, it's not in the binder, but it is an exhibit that we reviewed last week.

Okay. I don't know if you're familiar with this exhibit.

**MR. POWER:** No.

**MS. MUZYCHKA:** It's an email between Mauro Palumbo – if we can scroll down to the bottom of that exhibit. Do you know who Ken Chryssolor is?

**MR. POWER:** Yeah, I think I saw this email read out when I was watching the Inquiry.

**MS. MUZYCHKA:** Yes, okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And if we look at the bottom – this email, the date of it – again, if you could scroll up, right there – is in November, so it's prior to the award of the contract.

**MR. POWER:** Yup.

**MS. MUZYCHKA:** And we have Ken Chryssolor expressing concerns to Guido Venturini and he's basically – notes that there's already been a delay of four months since the project – or since the contract should've been awarded. And then as he continues down to the bottom – that highlighted area, sorry – he says: "... I wish to inform you not to sign any agreement unless the milestone dates have been reviewed, revised and agreed by both parties." So –

**MR. POWER:** Is that on the screen here now?

**MS. MUZYCHKA:** Yes, it's the highlighted portion. Do you see that?

**MR. POWER:** Okay.

**MS. MUZYCHKA:** So, certainly, Astaldi was expressing concern.

**MR. POWER:** Ken Chryssolor was.

**MS. MUZYCHKA:** Ken – yes.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** That without some changes, there was some real concern that milestones would not be met.

**MR. POWER:** Mm-hmm. Yeah, that's what he's saying here.

**MS. MUZYCHKA:** And would you have had those same concerns, in terms of the milestones? Would you have recognized that a four-month delay, awarding a contract just as winter is getting under way, could have an impact on the schedule?

**MR. POWER:** So the LNTP was awarded in mid-September – so if the contract – let's step back a bit.

If the contract had to be awarded in July, say –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – the bulk excavation is not done. They couldn't come in and do surveys of rock or anything like that. The bulk excavation was never intended to be done until into November sometime. So even the original proposal had access sometime in November; I think it eventually moved out to December. But it was never – the thing had to be awarded in July, you know, you're – it would've, perhaps, enabled them to get the subcontracts on the go earlier and things like that, but with respect to actually doing work – I mean, the site wasn't ready. So the – by awarding the LNTP, which was later than July – but it wasn't that much later – there was an opportunity to do the early work, which – and that formed the scope of the LNTP, like designing the ICS –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – and things like that.

**MS. MUZYCHKA:** But you're telling me then that you didn't share the same concerns with respect to the schedule and milestones that Ken –?

**MR. POWER:** Yeah, we expressed concern but, you know, we have a very large, international hydro constructor who are saying they can meet the milestones.

**MS. MUZYCHKA:** So you took them at their word?

**MR. POWER:** Yeah, I guess we did, yeah, yeah.

**MS. MUZYCHKA:** And you did mention that you knew the schedule was very aggressive?

**MR. POWER:** I did.

**MS. MUZYCHKA:** And that it would be achievable if nothing went wrong?

**MR. POWER:** Yeah, so Astaldi performed very well, eventually, very well –

**MS. MUZYCHKA:** Right, but –

**MR. POWER:** – in line with the schedule –

**MS. MUZYCHKA:** – we're talking right here at the outset now in 2013. We've got a very tight schedule. Aggressive schedule as you've said.

**MR. POWER:** Right.

**MS. MUZYCHKA:** And we have, already, delays, and we have concerns that are being expressed by Astaldi, amongst themselves, that –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – this is four months late for us to get off the ground, and we've got some concerns about making the milestones.

**MR. POWER:** Well, parts of it are four months late because the LNTP was awarded earlier, which was put in place to allow the early work to be done.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Right.

**MS. MUZYCHKA:** So I take it, then, that there was – this didn't appear to be a concern on your part or the part of the Nalcor construction management team that –

**MR. POWER:** I think it was a concern. You know, I'm trying to remember back, now, but, you know – I mean, in hindsight, which is great, looking at it now, I mean, you know, and considering what happened, we – I could say, yeah, it was a big concern. But at the time, we were moving forward the project; we had an LNTP in place to do the early work. We had this contractor who scored – by that team I just showed you – the highest score, technically. So I still had a degree of comfort that they could get in and get rocking and rolling and get her done.

**MS. MUZYCHKA:** Okay, and you were comfortable with Astaldi's estimates on their labour productivity, for example, and –

**MR. POWER:** So I never got into that. All I know is the estimates that were done by the three individuals I just mentioned –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – I think their total number of person-hours was, I don't know, 5 million hours or something, and Astaldi and Salini and Aecon came in with something higher, between 6 – around 6 or 7 or something. I think Salini – or Salini might've been a bit less. I know Kiewit was up at 9 million or something. But those three were kind of aligned with the number of person-hours, which were more than what our people had estimated. So, you know, looking at that, to me, it looked reasonable.

**MS. MUZYCHKA:** All right.

Now, subsequently, you determined that Astaldi did not bring the team that they had promoted in their bid process –

**MR. POWER:** Yeah, so on –

**MS. MUZYCHKA:** – to the project.

**MR. POWER:** – on September 4, 2013 – okay, when the Astaldi bid was evaluated, first, by the

bid team back in May or something – 'cause I think the bids came in in April of 2013 – one of the gaps they saw in the Astaldi bid was having supervision, the supervision with the cold-climate experience. So Astaldi – and I think that was conveyed to Astaldi, or I'm assuming it was. So on September 4, 2013, Astaldi came back with a presentation that showed the team they're going to put in place, and on that team, of course, they had Ken Chryssolor, who was very experienced in the, you know, northern hydro construction and all that, but they had a suite of superintendents on – in that presentation that were coming off this Lower Mattagami Project in Ontario.

Now, the relevance of that is, the Lower Mattagami – the Smoky Falls powerhouse, which is part of this Lower Mattagami Project, the Smoky Falls powerhouse was designed by the same SNC designers who designed the Muskrat Falls powerhouse, and it's the same design. It's a smaller powerhouse, I think it's 200 or 150,000 cubic metres versus the 400,000 we have, but it's the same design.

And the relevance of that is that powerhouse, this Muskrat Falls powerhouse we have, the penstocks and the spiral case are completely made out of concrete, whereas every other project in Newfoundland and Labrador and the one I worked on in Nigeria, the penstock and the spiral case is made out of steel. So it's a different beast. The steel one, you put all the steel together, and then you pour the concrete around it.

**MS. MUZYCHKA:** Right.

**MR. POWER:** The concrete one, you got to form all that, and it's a skill set on its own. And here they were bringing the supervision team who built the same style of powerhouse in a similar climate, so that gave us comfort.

**MS. MUZYCHKA:** That's not the group that showed up?

**MR. POWER:** No, they never showed up.

**MS. MUZYCHKA:** So you knew that in what – September, October?

**MR. POWER:** I guess I knew that early in 2014.

**MS. MUZYCHKA:** Early in 2014, okay.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Let's just go to Exhibit P-03689. It's in binder 1 of your exhibits, Mr. Power, at tab 37.

**MR. POWER:** Thirty-seven?

**MS. MUZYCHKA:** Yes.

This is an exhibit which –

**MR. POWER:** Yeah, this is it.

**MS. MUZYCHKA:** – is dated September 4, 2013.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** What can you tell us about that, why that was put together?

**MR. POWER:** So this was – so we were still negotiating, I guess, or the team was, the evaluation team were still negotiating with all the bidders – or, no, by that time, I think it had been shortlisted to two bidders, which was Astaldi and the other one I think was the Salini Impregilo joint venture. So Astaldi – the contract hadn't been awarded at this point, so there was a presentation made to us regarding staffing, and this is it here.

**MS. MUZYCHKA:** Okay. So are these the people that were indicated to you that would be part of the –?

**MR. POWER:** Yeah. So I can talk to these if you want to.

**MS. MUZYCHKA:** Just briefly.

**MR. POWER:** Yeah. So, if you go down to page 2.

So, Ken Chryssolor, Ken, of course, came on the project, but sometime in early February, early to mid-February, Ken left, apparently for health

reasons from what I understand. So, he was gone sometime early to mid-February.

Just keep going down, please.

And this one here, the deputy construction manager, Marco Brollo, he ended not being – he came or he was off the project sometime in early 2014 for some reasons that I'm not really sure of.

The individual underneath him, Nicola D'Emilio, I think he came for a meeting or something in 2013, but he wasn't – he never showed up. He wasn't on the project.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And if you keep go – so the next one, Pierre Cianni, who was the planner. Who – I knew Pierre from Jebba. Pierre left – he came but he left in early 2014.

Down on the bottom, the hydraulic engineer, I think he was only there for a couple of weeks in April – I think now – in April of 2014.

Next page, please.

Now we're getting into the supervision. So, you see here, the first individual, Marvin Bennett, who had worked on the Lower Mattagami, he came but he ended up leaving in early 2014 for some reason.

The next one, Yves Gagnon, who had worked on – he never worked the Lower Mattagami, but he worked on these other projects including Wuskwatim, which is the same – the design powerhouse again. He never showed up. And, Yves Gauthier, who did work on the Lower Mattagami, so he never showed up.

And the last page – or the next page, please.

And I think the top one Yves Gauthier, I think that's a repeat from the page before, but then the other two individuals, these two foremen with that experience as well, they never showed up.

**MS. MUZYCHKA:** Okay.

And we can also turn to Exhibit P-03691, which is at tab 39 of book 1. And, that's an email from you to Scott O'Brien and others.

**MR. POWER:** Yeah.

So, I did – as best my memory was at that time – of when the – this is the Astaldi – this is a history of Astaldi's project managers. So, Ken Chryssolor – I got written here – left the project sometime in Q1, so I have since learned that was early to mid-February Ken left.

Then there was another individual that Astaldi recruited, an individual named Edward McEwan, who was to start and he was on the org charts and everybody was excited. He never came. He dropped out for some reason.

So then – there was an individual called Mauro Abbafati from South America. Mauro barely spoke English but he was a real nice person. So he came on board around mid-May and he was there 'til around the end of July, probably half time or a little better than a half-time basis.

And then José Alves – he actually showed up around the end of the first week, I think, in August 2014. He was supposed to come earlier but he had visa problems, then he had some problems with his eyes. So he showed up then. He lasted until December.

But in – after him, an individual called Giacomo Orsatti – he became involved in the project in November 2014 and he was officially announced as the PM on the 6th of January 2015.

And Don Delarosbil came on board in May. He was announced in May 2015 and then Giacomo was there for a while after that. And Giacomo eventually left in August 2015 and then Don carried on, I guess, until today.

Now back – just scroll up a bit, please. So after Ken Chryssolor and between Mauro, there was another individual, Mario Lanciani, who was one of the project sponsors. So I heard Mr. Palumbo refer to him as filling the project management role – or I believe I heard Mr. Palumbo say that when he was here – when in fact, Mauro was on site for about a two-week period, end of March – last week of March and

first week of April – Mario, I meant. Mario Lanciani. But really Mario wasn't on site in a project manager role.

**MS. MUZYCHKA:** So it would seem that by early 2014 you would have been aware that there's some challenges with the Astaldi team members. Is that correct?

**MR. POWER:** Yes. I started to get involved on this myself, personally, around the end of April and went to site and made some observations and, yeah, raised – elevated the issue.

**MS. MUZYCHKA:** 'Cause at that point you knew that there were difficulties in terms of getting the ICS off the ground early 2014 and there were concrete mix design issues as well. You know, it was certainly well documented that Astaldi had been exceedingly slow in their ramp up.

**MR. POWER:** Yeah, there were a lot of issues, which is not abnormal, you know, for a project. But, yeah, so I guess –

**MS. MUZYCHKA:** With a project with a very aggressive schedule and which everything needs to go right, I think these represented red flags. Wouldn't you agree?

**MR. POWER:** No question, yeah, there were a lot of issues in 2014 –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – which we helped to address. I can talk about that later if you (inaudible).

**MS. MUZYCHKA:** No, I'm gonna ask you what steps did you take, if any, to help with that.

**MR. POWER:** Yeah, so we formed working groups. So, the first thing I want to say is despite all the commercial letters and all of that stuff on the side, that is just regular business; Astaldi were very co-operative and we were very co-operative with them. So, we formed working groups, where we formed teams, task force – some people call them task forces; some people call them working groups. And I think we had 10 working groups altogether. So we like – so we had an ICS working group that with engineers and others, from Astaldi and our team,

who would meet regularly and map out actions and things like that.

We had a procurement working group, we had a mixed design working group, we had a batch plant working group, we had a crushing working group and, eventually later, we had a plant and maintenance working group. We had a permanent power working group. That was when we were trying to get everything off the generators and get it onto the permanent power that we had brought in from Churchill Falls. And maybe a few more; I think there were 10 working groups during 2014.

**MS. MUZYCHKA:** Okay.

Were there – was there any consideration of descopeing Astaldi at that time, or finding a replacement for them in 2014?

**MR. POWER:** So, there was a lot of discussion about the whole business. So my focus personally was to make it work. So, I was focusing on pushing working groups and things like that. Others were looking at the bigger picture. I would say Paul Harrington, Lance and Gilbert and thinking about those types of actions.

**MS. MUZYCHKA:** Okay.

We heard from Des Tranquilla that there had been a meeting in St. John's spring of 2014 with respect to Astaldi and where he suggested descopeing and that wasn't met with very much –

**MR. POWER:** Yeah, so I can't remember that meeting, but he – you know, I mean I don't doubt that Des said that in a meeting.

**MS. MUZYCHKA:** Okay, so that wasn't a consideration –?

**MR. POWER:** I've heard – you know, I've heard the notion. I was aware of that notion.

**MS. MUZYCHKA:** Were you aware of those meetings in which –?

**MR. POWER:** I was probably in the meetings, yeah.

**MS. MUZYCHKA:** Okay.



**MR. POWER:** But my focus personally was to try and make things happen.

**MS. MUZYCHKA:** There is a number of differences working in Canada or places where there is a strong regulatory regime, lots of workplace health and safety issues, and so on, and environmental regulations.

Do you believe that the environment that Astaldi found itself in Canada was – might've been a problem for them, that they had limited experience in working in this type of environment?

**MR. POWER:** So, what I can tell you is, Astaldi, you know, from our – from the research that was done at that time, were a sophisticated company with processes and procedures and so on and so forth. During the evaluation process, and probably even the – probably even before the RFP went out in the pre-evaluation timeline. Like this had been on the go, you know, from some time back in early 2012, this whole CH0007, you know, contract. So, you know, there was numerous contractors in the picture, which eventually got shortlisted down to four for the RFP, which eventually got shortlisted down to two for the final, you know, for the final bid.

But during that process, throughout all that, there were a lot of workshops put off by us; safety workshops, labour workshops, you know, so we had to – our labour specialist and Ed Over would have – and there's people from the labour unions, labour leaders, met with the contractors and explained the project labour agreement and things like that. From a safety perspective, there were meetings where our safety people would meet with Astaldi and talk about our expectation – Astaldi and all the bidders, and talk about our expectations.

So to answer your question, there was a lot of education and awareness performed prior to awarding to Astaldi.

**MS. MUZYCHKA:** Though, this occurred before they got the contract?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** And did it continue on throughout?

**MR. POWER:** Yeah, so one of the working groups I forgot to mention – we had a, you know, safety working group and we had productivity working groups as well.

**MS. MUZYCHKA:** But did you have any concerns as to Astaldi and its safety regime or ...?

**MR. POWER:** So, Astaldi were very co-operative, I'll say that.

So, when we'd raise issues, they generally listened and, you know, put efforts in place to align with the project expectations.

**MS. MUZYCHKA:** So there were no concerns from management perspective that Astaldi wasn't meeting the safety requirements –

**MR. POWER:** No, in general, you know, in my view anyways, Astaldi had a safe site. You know, with all contractors there's times when things need to be improved, and we harped on that, but generally, you know – and they would listen and, you know, progress that as well.

In general, you know, I know we had the draft tube incident, sadly, but in general that was a very safe site and we've gone through this project with over 45 million person-hours, thank God, with no fatalities, so, you know – and Astaldi, of course, building that powerhouse at all the – working at heights, and all those cranes and everything, there was certainly a lot of potential – a lot of potential – for an outcome much worse than what we actually ended up with.

**MS. MUZYCHKA:** Okay.

Did you hear any of the workers' panel testimony? I understand –

**MR. POWER:** So I didn't put any credence in that, for disgruntled workers, to be quite honest with you, Ms. Muzychka.

**MS. MUZYCHKA:** Okay, because I gather they had expressed concerns that during a period of time, there were –

**MR. POWER:** So disgruntled people are always complaining.

**MS. MUZYCHKA:** Okay.

So that's not your understanding or your experience with the contract?

**MR. POWER:** You know, obviously there are – occasionally there are safety concerns and safety incidents, but they were always important and, you know, we had a – and still do have a very large safety team on the site, as do Pennecon today. Astaldi had a large safety team, Pennecon have a large safety team, and we have a large safety team, we probably eight or nine people –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – covering 24-7, so safety is a priority, you know, in today's world, and on that project.

**MS. MUZYCHKA:** Now, just going back to, you know, the assistance that you're providing to Astaldi in 2014, and I understand from the testimony of various people and, of course, through discussions with you that 2014 was not a good year for the project in terms of productivity and getting things off the ground.

**MR. POWER:** Yeah, it was horrible.

**MS. MUZYCHKA:** People coming and going, there wasn't a stable management labour force –

**MR. POWER:** Yeah, so the big – the broader issue, in my view anyway, was the project management gaps throughout the year.

**MS. MUZYCHKA:** Mmm.

**MR. POWER:** And the, you know, the supervision gaps. So towards the end of the year, which we're gonna get to I guess, we did something about it, to help Astaldi.

**MS. MUZYCHKA:** Okay, so now – just bring up Exhibit P-03047, which is in the PMT binder, number 4 at tab 80.

**MR. POWER:** Tab 80? 8-0?

**MS. MUZYCHKA:** PMT binder.

**MR. POWER:** Oh, PMT binder.

**THE COMMISSIONER:** Probably, when it's appropriate, we'll break for lunch. So did you wanna do that now or did you wanna wait and do this after lunch?

**MS. MUZYCHKA:** We can pick it up after.

**THE COMMISSIONER:** Pick it up after? Okay, so we'll come back and start with that this afternoon. So we'll come back at 2 o'clock.

**CLERK:** All rise.

### Recess

**CLERK:** All rise.

This Commission of Inquiry is now in session.

Please be seated.

**THE COMMISSIONER:** All right.

Ms. Muzychka.

**MS. MUZYCHKA:** Thank you.

Commissioner, there's one other Exhibit that we need to have entered and it is P-03790.

**THE COMMISSIONER:** All right. So that will be marked as entered.

**MS. MUZYCHKA:** Thank you.

**THE COMMISSIONER:** So I think we're at 03047, is that?

**MS. MUZYCHKA:** Yes, we are.

So we can bring that exhibit up, please.

That's at the PMT binder 4, at tab 80.

**THE COMMISSIONER:** I think it's tab – or book 3.

**MS. MUZYCHKA:** Book 3.

**MR. POWER:** Which tab is it again, please?

**MS. MUZYCHKA:** Tab 80.

**MR. POWER:** 80.

**THE COMMISSIONER:** In book 3.

**MS. MUZYCHKA:** Book 3 it is, yeah.

Do you have that, Mr. Power?

**MR. POWER:** Yes, I have it, yes.

**MS. MUZYCHKA:** I'd like you to turn to page 2. And what we can see from this email chain is that you wrote an email on May 1, 2014 to Paul Harrington and you've outlined a number of issues and it's headed, "1 – Astaldi: Failure to Perform."

So I would like you to just review that email for us in terms of the concerns that you found after you visited site.

**MR. POWER:** Yeah, so I went up – I visited site on the Saturday before that, which I believe was April 26, I believe was the Saturday. And I went down to the spillway area and at that area there was a structure that was still being constructed called the Norseman Structure and I – there's some pictures that maybe we can look at after, or as part of what we're doing here today. So, inside –

**MS. MUZYCHKA:** Why don't you just read us the email and that way it'll –

**MR. POWER:** Oh, you want me to read the email?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Okay. Sorry, I didn't hear that.

**MS. MUZYCHKA:** Yup.

**MR. POWER:** Yup.

**MS. MUZYCHKA:** It's nicely stated.

**MR. POWER:** So, "Astaldi: Failure to Perform" I visited site last Saturday. The situation there is virtually hopeless. When I returned I prepared a deck entitled 'Astaldi: The Road to Failure.' I presented this to Lance, Scott, Gilbert, Ed Bush, Pat, and Brian. Des (and later Jason) tied in by phone. I will present it to you when you return. As a result of this session, 2 Steering Committee meetings were held this

week with Astaldi. I did not attend on Tuesday, as I preferred that cooler heads prevailed. I did step in to yesterday's session, and I gave the following messages directly / verbatim to Mario, Jennifer and Manni."

**MS. MUZYCHKA:** And who are Mario, Jennifer and Manni?

**MR. POWER:** All right. So, Mario is Mario Lanciani who's the – he was on the Astaldi steering committee. I think he was the North American manager or something, but he was, like, on the steering committee for this project.

**MS. MUZYCHKA:** And Jennifer?

**MR. POWER:** Jennifer Hoffman, again, she was a senior Astaldi executive that was on the steering committee and involved with this project.

**MS. MUZYCHKA:** And Manni?

**MR. POWER:** Manni – that's a person called – I think his name is Emanuele Triassi. He was the head of Astaldi Canada, which were based in Montreal. But he was one of the executives on the steering committee meeting for the – on the steering committee for this project.

**MS. MUZYCHKA:** Okay. So, what did you tell them?

**MR. POWER:** So, I'll read it out?

**MS. MUZYCHKA:** Yes. Please.

**MR. POWER:** Yeah. So what I said in this email was: "Astaldi are perceived as a joke on site; the Astaldi troops on the ground are laughing at Astaldi; we have paid in well in excess of \$100,000,000 to Astaldi to date and have nothing to show for it. The schedule is probably lost; I requested Mario, Jennifer and their Mr. Cerri" – who's the CEO – "to get on a plane, today, with one-way tickets and to stay here until this situation gets fixed."

"The outcome of all of the effort this week is that Astaldi have now come forward with near-term plans / hit team from South America that

will be here on Saturday. There will be a new PM here within 10 days (Long-term Astaldi person). Anyway, Lance and others are more in tune with what they are now proposing. While I do not doubt the sincerity of Mario and Jennifer” – then I put in brackets – “(I do believe Manni is conspiring against the project), the bigger question is whether Astaldi can deliver this. I am not convinced. We will be convening internally here today to talk about our game plan. I am really emphasizing to Astaldi and to our team the seriousness of the situation.

“So, outside of the immediate JCL safety issues.”

**MS. MUZYCHKA:** What’s JCL?

**MR. POWER:** I think JCL was Johnson’s Construction Limited, but I don’t remember what the safety issues were.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Aside from that – “the Astaldi inability to perform is the **primary area that needs our collective focus.**”

**MS. MUZYCHKA:** And you’ve bolded that. So, that’s very important.

**MR. POWER:** Pardon me?

**MS. MUZYCHKA:** You’ve bolded the primary area of focus.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay. So, at that time – just reading from your email – it appears that, you know, six months in to the project and a \$100 million later, there’s really nothing that has happened. Is that correct?

**MR. POWER:** Yeah. Now –

**MS. MUZYCHKA:** Or little to nothing.

**MR. POWER:** So, the \$100 million was an advance up front – whether that was all spent or not – I don’t know. But, I mean, I just put it in there – in this email. Yeah, I was concerned

because when I went to site on that day – do you want me to talk about that?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Yeah. So when I went to site on that day, I went over to the spillway area and – because there wasn’t much going on with the powerhouse because the ICS program was just getting underway. In the spillway area, there’s a structure called the Norseman Structure which is a temporary structure and inside – outside the Norseman Structure, outside, it was plus 10 degrees centigrade and people were working in their shirt sleeves and inside the Norseman Structure, which is still under construction it was – you could see your breath; it was like zero degrees.

And in there, there was still foundations being – there was formwork in place and we were waiting for concrete to be poured to stabilize that structure to make it more resistant against wind forces and things like that, but that was a temporary structure that was being built to enable work to proceed inside the structure when it was winter outside but here the winter was over. The winter was over; it was plus 10 degrees outside –

**MS. MUZYCHKA:** Mmm.

**MR. POWER:** – so everything, it was backwards.

**MS. MUZYCHKA:** Now, in your email you mentioned that you prepared a deck entitled, Astaldi, the road to failure, that you presented and we have not found or been given a copy of this –

**MR. POWER:** Yeah – no, I can’t find that. I had it on a stick or something at the time.

**MS. MUZYCHKA:** Okay, but do you recall whether it consisted of photographs or ...?

**MR. POWER:** Mostly photographs. Mostly photographs of this spillway area and some comments about Astaldi not performing, and proposed solutions.

**MS. MUZYCHKA:** Okay, we’ll pull up Exhibit P-03694 which is at tab 42 in the Ron Power

book 1. This consists of six pages of photographs. Do you recognize these pictures?

**MR. POWER:** Yeah, so the first picture there, that's a picture of the Norseman structure from the outside. So that whole area there, that's where the spillway would eventually be built.

**MS. MUZYCHKA:** Did you take these pictures?

**MR. POWER:** I think so.

**MS. MUZYCHKA:** Okay, these are your –?

**MR. POWER:** I think I took them, yeah.

**MS. MUZYCHKA:** Okay, all right.

So the first picture is the structure. That's not the ICS that –?

**MR. POWER:** No, that's called the Norseman which I think is the – it's a brand name for that type of building.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah, so that's a Norseman Structure, looking at the outside. So people are working inside that –

**MS. MUZYCHKA:** Okay that's the next slide, page 2.

**MR. POWER:** Yeah, so if you go into the next slide, they're doing some foundation preparation and all that, but you see on the far wall, you see that formwork, that wooden walls that are being built there. So that's formwork that's being built at this stage of the game, and concrete will be put behind that formwork. So if you go to the next page, page 3, on the right-hand side there you can see the openings where the concrete is gonna be put in between the steel columns, and that concrete is gonna be put in there to stabilize that building, but that's all temporary work.

**MS. MUZYCHKA:** Okay, and then that next –

**MR. POWER:** So, yeah, so – and again, so that was the point, and the very last picture, I guess –

**MS. MUZYCHKA:** Page 4.

**MR. POWER:** – yeah, you can see, page 5, you can – it's sideways but that's just a close-up picture of the formwork.

So at that point in time, Astaldi are still constructing the temporary building that's planned – that was planned to be used for winter construction, and the winter is over, it's plus 10 degrees outside. So I raised the roof on that issue and, you know, within two or three days they started taking the building down to get it out of the way so they could build the spillway –

**MS. MUZYCHKA:** Okay, so that –

**MR. POWER:** – built –

**MS. MUZYCHKA:** – was –

**MR. POWER:** – outside.

**MS. MUZYCHKA:** – was part of the – the challenges that you found when you visited site.

You sounded surprised, almost, when you went to site in your May 1, 2014 email, that so little work had been done. Is it that you hadn't spent enough time on site before that, or were you aware that progress was as it was, is that why you went?

**MR. POWER:** Yeah, so I don't remember how much time I had actually spent on site before that 'cause my job as general project manager was keeping the machine – the machine running; the team, right?

But I did go to site at that time and observed this, and I was talking to some of the construction folks we had up there like Bill Knox and Desmond, Des Tranquilla, and yeah, there were a lot of struggles, so, yeah, I wrote that email. I might have been over the top, but I did write that email because things weren't happening.

**MS. MUZYCHKA:** Okay.

One of the statements you made is that the schedule is probably lost. Now this is six months into the – that's at page –

**MR. POWER:** – well –

**MS. MUZYCHKA:** – 2 of the –

**MR. POWER:** – so, yeah, so to that point, we are now in May, and the – things are not progressing as they should, so obviously the schedule is not where it needs to be, so, you know, I made that statement.

**MS. MUZYCHKA:** And do you know if anything was done to re-baseline the project at that stage?

**MR. POWER:** All right, so what I focused on from – personally, from that point on, were – was making – was having work get done.

So when I came back from the site, we had these steering – we had these meetings of – I described here, with the steering committee meeting, with the steering committee, but practically, what we did then, we identified the names of, I don't know, 10 or 15 construction supervisors here in Newfoundland and Labrador that – and they were contacted, that could potentially be available for Astaldi.

So, we sent that list of names to Astaldi a couple of weeks after that, in the middle of May, I think, to try to get stuff moving. And then we resurrected, or instigated, I think, from what I recall, these task forces that I spoke about earlier, these working groups, to try to make stuff happen.

So, my personal focus was to try to make stuff happen. Lance and Paul were dealing at the steering committee level, the higher level with Astaldi to, you know, get the management attention and things like that.

**MS. MUZYCHKA:** So you communicated to Paul Harrington?

**MR. POWER:** He was my boss, right?

**MS. MUZYCHKA:** Right.

And he would then communicate to the – to Gilbert Bennett about the state of the –

**MR. POWER:** Yeah, we're all in the same office. Everybody knows what's going on.

**MS. MUZYCHKA:** No, fair enough, but from a formal communication perspective you made (inaudible) –

**MR. POWER:** Yeah, generally Paul and Lance were the interfaces with the Astaldi steering committee people, yeah.

**MS. MUZYCHKA:** Okay.

Let's turn to page 3 of –

**THE COMMISSIONER:** Can you just go back to the question you asked –

**MS. MUZYCHKA:** Sorry.

**THE COMMISSIONER:** – because I didn't think I got an answer.

So, notwithstanding the fact that you had made this observation that the schedule was probably lost, do you know if the schedule was re-baselined at the time?

**MR. POWER:** So, there was a lot of scheduled work happening at that time, including efforts to try to re-baseline the schedule. I can't speak to it in detail, Mr. Commissioner. I just know it was a continuous activity to try to understand the schedule and where Astaldi were going to be.

**THE COMMISSIONER:** So, you don't know if it was re-baselined at that time or not?

**MR. POWER:** Personally, I can't tell you if it was or not. I know there was re-baselining work happening, right? And when the official re-baseline schedule for the project came out, I'm not sure but it's, you know, it's in the – it's probably in those decks, you know, somewhere.

**THE COMMISSIONER:** Yeah, I know when it was.

Go ahead.

**MS. MUZYCHKA:** Okay.

If we turn to page 3 of Exhibit P-03047, under section 2 –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Team Effectiveness Issues.

Just read the first paragraph there, please.

**MR. POWER:** Yeah.

So the Muskrat Falls versus home office fifth column activities is the word I use.

**MS. MUZYCHKA:** What does that mean?

**MR. POWER:** So we had – you’re familiar with the term fifth column?

**MS. MUZYCHKA:** No.

**MR. POWER:** So, you know, fifth column are people who are – I forget the word now – kind of working against what you’re trying to do without you really knowing it, without – they’re covertly trying to undermine certain things you’re trying to do. So in a war, there could be a fifth column activity in your country, right?

**MS. MUZYCHKA:** Okay. So you’re implying that covertly how –

**MR. POWER:** Yeah, I mean, this is a bit – you know, I’m a dramatic person, but the bottom line is we had a management plan, how we were executing this project. The site is empowered to manage the site and to look after construction management, but as I indicated earlier, what we saw from the SNC proposal is the area manager approach, which we brought forward and are still today delivering this project with that method.

So, the area managers are in home office; the package engineers are in a home office; the project manager is the home office. And on site there’s a construction manager and the site manager and the area construction managers and, you know, the supports on the site: the quality team, the site quality team, the site safety team, the site environmental team, the site project controls team.

So, Des is – I wrote this specifically about Des, led by Des – I say – okay, let me read it again.

**MS. MUZYCHKA:** Read it, yes.

**MR. POWER:** “Muskrat Falls versus Home Office ‘fifth column’ activity” – then in brackets – “(I do not believe it is necessarily vindictive)” – and I didn’t – “led by Des and espoused by certain of Des’s disciples, is continuing. However, I am beating hard on that one and I think alignment will be achieved. I have reached the point where it will be fixed, by me. I believe everyone is now getting the message / it is getting better. There might be some casualties.” That means people might leave, like Ted Vanwyk. “Des brings a lot of value in certain areas, and I want him on the project.”

So I think Des’s experience in this world was, I think, that he’d go on a project and he’d be running the project from the site, like – I think the way I described it when I was interviewed by Ms. O’Brien, if – you know, 2,000 years ago the Roman general would go to England and he’d deal with England, and two years later, he’ll come back and report in about what’s going on.

Well, our management approach and our approval for expenditure, financial authority approach, isn’t that. So the project management is done in St. John’s, like all the megaprojects that I’ve been involved with – all the projects I’ve been involved with – and construction management is done at the site. But, you know, Des was struggling with that, and, you know, that’s his experience and I respect that.

**MS. MUZYCHKA:** So, is that why you wrote that? Is that you were experiencing –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – comment from Des as to the –

**MR. POWER:** Well (inaudible).

**MS. MUZYCHKA:** – style of management or the –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – not the style, but the –

**MR. POWER:** Des was –

**MS. MUZYCHKA:** – plan.

**MR. POWER:** Des was looking for more site autonomy because that was his experience.

**MS. MUZYCHKA:** Right.

**MR. POWER:** But it wasn't our execution approach that we undertook with this project.

**MS. MUZYCHKA:** And what did you mean by "I am beating hard on that one and I" – hope – "alignment will be achieved"?

**MR. POWER:** Well, I did my best to get people to understand the management approach that we took on to deliver this project with, which is the head office is in St. John's – for good reason – and there's a construction management group at each site and – you know, who have – who are fully empowered to do the construction. But when it comes to expenditures involving change, we have a very rigorous change process, and that involves, you know, risk assessments and things like that, and that involves involving the people back in the head office to approve change orders.

**MS. MUZYCHKA:** Okay.

And we've heard a lot of evidence about the style or the plan of management and the lack of authority on site and the challenges that that presented.

**MR. POWER:** Okay, so –

**MS. MUZYCHKA:** (Inaudible.)

**MR. POWER:** So what – could –

**THE COMMISSIONER:** Just wait for the question.

**MR. POWER:** All right, sorry.

**MS. MUZYCHKA:** Yeah, before I get into that, just gonna find my notes 'cause it's a little bit farther ahead, but I'll deal with it now since we're talking about it.

How is it that Nalcor came up with this particular model whereby the bulk of the decision-making and authority is made in St. John's? Was it – well, you tell me if you are aware as to –

**MR. POWER:** Yeah, so the –

**MS. MUZYCHKA:** – why this was not –

**MR. POWER:** – projects that I'm involved with were executed like that. The only – so the only project that I was involved with that wasn't executed like that was the project in Nigeria. The project manager was there because that's 30 years ago or more. There was no communication then between the middle of Nigeria and the Montreal office. So there was no phones; there's no iPads or faces or Facebook, whatever you call it, and things like that. There was mail that took two weeks and couriers – two weeks one way. So it wasn't – so the client, in that case, wanted the project manager over there because of communication issue.

But all the other projects I've been involved with, the projects are run from head office and the construction management is done on the site. And the SNC proposal, the area manager approach, which we implemented for the project, that was the same approach that they had espoused.

**MS. MUZYCHKA:** Do project managers such as Scott O'Brien and others, do they go to site? Is there any requirement that they be on site on a regular basis?

**MR. POWER:** So it's nice for people to go to site – management – as often as we can, to provide a presence and – you know, helps empower the people. However, it's not a – it's very difficult to do in Scott's case. He spends a lot of time travelling to other places, meeting – associated with this project.

**MS. MUZYCHKA:** Such as?

**MR. POWER:** SNC in Montreal, ANDRITZ in Montreal, arbitration meetings in Toronto continuously. Lots of meetings with Barnard-Pennecon, upper echelons in various places – (inaudible) last week in Chicago, for example. So I would say Scott, in particular, spent as much time travelling, not to Muskrat Falls or – a lot more than actually to Muskrat Falls, to do his job as project manager for a \$5-billion project.

**MS. MUZYCHKA:** But do you see, in your position, that it is important that the project



managers spend sufficient time on site so that they can see for themselves first hand that –

**MR. POWER:** So the project manager are – is more in tune with what's going on project wide than the site team are, without question, because there's a lot more to a project than just the construction.

**MS. MUZYCHKA:** Right, but there are – and we heard, you know, from Don Delarosbil, and he indicated, you know, there was a lot of missed opportunities because people with authority and with the planning foresight, who had the big picture, couldn't see what was happening and couldn't see – or anticipate –

**MR. POWER:** So –

**MS. MUZYCHKA:** – things that would come up and that would, perhaps, call for a change in order or a change in, you know, supply or what have you. But the point that he was making is that there wasn't anybody there with authority, and it's sort of – they were doing their respective jobs, but nobody had the authority to say: There's an opportunity coming up here, or there's a delay in this shipment. Let's change this particular aspect of the project around.

Instead, someone would have to see that, write to St. John's or call or however it is the communication, wait until the St. John's team considered it, and there was certain timelines – three to seven days or what have you – and then respond back and then make the change. And by that time, probably, you know, the efficiency was lost because whatever situation had arisen had rectified itself and things didn't proceed.

So, you know, he thought that there was a lot of lost opportunity and lack of efficiency and also an inability for the managers on site to make decisions of any significance. So they were essentially – had their own authority undermined by this matrix that had been designed, which essentially left them with very little financial authority or decision-making power.

**MR. POWER:** So, first thing, I – there's a lot of responses to what you just said.

The first thing is, Don Delarosbil is representing a contractor that's trying to get another \$800

million out of this province with this arbitration claim they have on the go. They've already been paid over a billion, which is their original contract. They've been paid \$700 or \$800 million more with the deals that have been struck since the original contract, for the same scope of work.

There's a contractor in on site now, Pennecon, finishing off what Astaldi never did. That's another 150. And Astaldi – Don said on the stand here, he's still working for Astaldi. They're trying to get another \$800 million out of this province.

**MS. MUZYCHKA:** So, are you saying that Mr. Delarosbil's testimony is not relevant or applicable because there's claims outstanding in relation to that contract?

**MR. POWER:** Yeah, so I'm not finished answering your – responding to your statement then.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So, what I'm saying is, the things Don Delarosbil are saying are solely in support of that \$800 million claim.

Now, with respect to the veracity of his statements, we had a fully empowered site team and the mechanisms – the features under the contract, like the contractual time stipulated in the contract to respond to NCRs – non-conformance reports – or the concession requests, or the site queries, or to drawing reviews, I've provided the management report to you. And throughout the project we've exceeded – we've always come in underneath the time required to respond to something. There's a – so, that's that part, from the management perspective.

We have an empowered site team. There's a construction manager, Mike Harris, who's our claims avoidance specialist, or disputes avoidance specialist, was on site full time, and they were on the phone at least twice a day with Scott O'Brien. So, everything was actively managed. But if changes had to be agreed to that required expenditures over and above the scope – the base – if it's a change of the scope of work,

well, that came back to St. John's to be managed. That was our management approach.

**MS. MUZYCHKA:** Yes, when you say your – you had a management team on site that was fully empowered.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Did you mean in terms of with financial authority?

**MR. POWER:** No, they're fully empowered to execute the day-to-day construction of the project, and we had enough financial authority for normal site things that would need quick responses.

**MS. MUZYCHKA:** And what was that authority?

**MR. POWER:** I think it was \$250 thousand or something.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** For a site manager or the construction manager, I'm not quite sure.

**MS. MUZYCHKA:** And what is Scott O'Brien's financial authority?

**MR. POWER:** I think it's \$2 million, I believe.

**MS. MUZYCHKA:** And yours?

**MR. POWER:** Today, mine is \$5 million. When I was the general project manager, I had \$25 million.

**MS. MUZYCHKA:** Twenty-five million dollars?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Okay.

So \$250,000 doesn't really represent a lot of money in terms of authority to make decisions?

**MR. POWER:** Well, that was our approach that the large expenditures would have to go through the formal change process to ensure everything is under control.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And to keep the contractors feet to the fire and make the contractors responsible and accountable to deliver the scope of work under the contract.

So we did the right thing. We've been audited over the years, internal audit, Nalcor's internal audit, that's one of the first audits they did: change management. Are we controlling the change expenditures?

**MS. MUZYCHKA:** Okay, but we have also heard from Des Tranquilla, and you mentioned in your email, the one we were just talking about, the one of May 1, 2014 –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – that Des was, you know, having some difficulty adjusting to the limited amount of authority he had, given his position and given his past experience. And he testified as to that, and I believe he indicated that when his – the project he worked on before he came to the Muskrat Falls one, he had authority, you know, in the millions of dollars, or a couple of million, I can't recall exactly. And he found that, you know, different and also inefficient with respect to his role managing the site and being the on-site manager.

**MR. POWER:** So, I respect Des's opinion, and as I indicated that could be Des's experience.

But what does this Inquiry – so this Inquiry has heard from five or six people with that view, and that contractor who's trying to get \$800 million dollars out of this province with that view. This Inquiry hasn't heard from Ed Bush, who is the construction manager there for the year 2015, when I brought him up there. It hasn't heard from Peter Tsekouras, who was the area construction manager for the powerhouse and intake from May 2015 to May 2018, who built what's there working with and Erasmo and Don Delarosbil and these people.

It hasn't heard from Jeff Reid, who's the construction manager there today. It hasn't heard from Pennecon, who's the contractor today. It hasn't heard from Dave Pardy, who's the site

manager after Des left and it hasn't heard from Dave Healy, who's the site manager today.

You won't hear those sentiments from them. And they're the people who built it.

**MS. MUZYCHKA:** Right. But they're also people within the Nalcor, Muskrat –

**MR. POWER:** As Des Tranquilla was –

**MS. MUZYCHKA:** Des, and then we also had letters from various site managers who resigned. We can bring up P-03048, which is in the PMT binder, book 1, tab 1.

**THE COMMISSIONER:** Which binder, I'm sorry?

**MS. MUZYCHKA:** PMT, binder 1. Turn to page 4.

So he writes: "On the Lower Churchill Project, construction management is now directed by Nalcor in St. John's and on site we are the eyes and ears for others to organize high level meetings with the contractor and to make decisions. The contractor is fast learning that the decision making is done in St. John's, not at the site. This undermines our authority and significantly reduces our ability to manage as I believe we should be doing."

And he goes on to say: "I have significant experience on large direct hire projects, on large projects with Building Trades labour and on large projects where labour was fully reimbursable. But I am unable to use this experience where I do not get all of the information and other are making" – all – "the decisions."

**MR. POWER:** So, again, that was written by, I think, Ted Vanwyk.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** So that was his view, but the people who built what's there today, you won't hear this view. So Ted was there in early days. He came for three or four months, whatever it was, and he left and that was his view, and I respect that, and he left.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But once it – once we got rocking and rolling in 2015, from that day 'til this, which is when the thing got built, you won't hear that sentiment from the people who built it.

**MS. MUZYCHKA:** Well, let's look at P-03049, which is also in the PMT binder at tab 2. And this is a resignation from Brian Cottrell, HR Advisor, and it's dated June 2, 2014.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** And he says: "I feel that my capabilities and experience are not being fully utilized, I am not challenged by my work or my work load and have no decision making capability. Further, the management style employed by St John's gives me great concern as the control and decision making capabilities do not lie with the experienced people on site, but rather with St John's, who are removed from the day-to-day site operations and this often causes unnecessary delays. I am concerned that in the month of May that 5 members of the Site Team have felt the need to resign and would expect this to have raised some major red flags with head office. Unfortunately I expect more resignations to come. Communication between St John's and Site have always been an issue, in my opinion, although that has improved on the HR side in the last few months. In short the Site Team seems to be here for show a concept I believe is becoming more and more obvious to all at Site, sub contractors, etc, as time goes by."

**MR. POWER:** So, I don't know Brian Cottrell, I can't remember him. It looks like he was some kind of a site HR advisor. He's entitled to this opinion, but I really can't comment on this.

**MS. MUZYCHKA:** Would these letters have come to your attention as the –

**MR. POWER:** Yeah, I remember –

**MS. MUZYCHKA:** – management?

**MR. POWER:** I mean I remember seeing the Ted Vanwyk one. I don't remember seeing this one.

**MS. MUZYCHKA:** Okay.

Well, we continue on at the next letter which is at PMT binder 1, tab 3, page 2 and this is P-02819. And this is John Mulcahy's resignation letter from July 17, 2017.

And he writes: "In all my years in construction, the field team ran the construction site and the head office supported the field team. On Muskrat Falls, it is vice versa and is to the detriment of the project and the people of the province especially with all the interfaces coming up. It cannot be micro managed from head office."

So, you know, there's three letters and I'm sure there are more. And we've heard from other individuals, either from the contractor's side – we've heard it from people speaking from Valard and from ANDRITZ and others.

**MR. POWER:** No, you never heard it from ANDRITZ.

**MS. MUZYCHKA:** Maybe not ANDRITZ. I could be – I stand corrected but, certainly, the Valard individuals raised that. But, aside from that, I mean you have three people who worked for the company who see the impact that having the management located in St. John's versus on site, and that it's in their experienced belief that it is not the most efficient way of doing things.

And I hear you saying this was the model that we chose, so my question to you is: Did you take into account or were you aware of these letters, first of all. Did they make it – their way up the chain to the decision-makers? And if so, was there any consideration given to re-evaluating the process and determine whether or not the method that had been chosen was in fact the appropriate one?

**MR. POWER:** Okay, so to answer your question, I was aware of the Ted Vanwyk letter. So Ted came and he left after a few months. That's fine. This one here was in 2017. John wrote this and that's fine.

But, you know, I will say for the years 2015, 2016, 2017 and 2018 we had, you know, 500,

600 people on the project, so you're going to expect to get some people who dissent and disagree with the way it's run – the project is run. But the project got built and the people who built it – the construction team who actually built it – you won't hear these sentiments.

**MS. MUZYCHKA:** Now –

**MR. POWER:** So the Inquiry hasn't heard the other side of the story.

**MS. MUZYCHKA:** All right, well, let's turn to P-01977 which is in the Ron Power binder, book 2, tab 97. Actually, I don't think that's the right one. It's not the right tab, just a moment.

It's the correct exhibit number, Commissioner, but I've got the wrong tab identified.

**THE COMMISSIONER:** 01977, I can't find it now.

**MS. MUZYCHKA:** Tab 55, sorry, in book 2 – or book 1.

**THE COMMISSIONER:** Yeah, it's in the PMT book, number 2, tab 55.

**MS. MUZYCHKA:** All right, so, Mr. Power, that's the SNC-Lavalin Risk Assessment that was done in 2013. And if we look to page 16, it's very small to read but it's in the middle of the page and it's entitled: "Difficulty transitioning to an integrated team project delivery model." I don't know if you can read that on your exhibit.

And it's further – it's noted under description that this is a risk that's been identified by SNC: "Lack of proper delegation of authority, leading to an unsustainable authority structure as the site construction ramps up. Decisional team more familiar with the oil and gas industry than with heavy civil and hydro works, leading to mismatched processes and procedures, as well as to less than optimal value-plus decisions."

And then in terms of a mitigation factor, over in the mitigation column they note: "Issue an authority matrix giving site managers latitude." So it's not just the views of a few, perhaps, disgruntled employees, as you've indicated. The site authority matrix that you described that was

implemented by Nalcor was not just viewed by others who, I would submit, had experience in the field, but it's also something that was recognized by SNC-Lavalin when they did a risk review as part of their analysis here; that they recognized that the lack of authority on site was problematic, so much so that it factors in as a risk.

**MR. POWER:** Okay, so the first thing I'd like to say is I don't put any credence in this risk report. It was written, apparently, in 2013, of which I wasn't aware, even though the person who apparently instigated this sat next to me as my counterparty, but never bothered to make me aware that this was happening.

This was done shortly after SNC were not the EPCM consultant anymore. This was done about a year after they did the estimate. So SNC did the cost estimate and all of a sudden this – apparently this risk work got done which points to a completely different number than the estimate that was provided to us.

And most – all of the risk, except for one or two – and I think that's one of them there – were already identified in the project risk register. And I think that one was put in there to put a poke at the project management team because the job had changed from an EPCM model to the integrated team model at that time.

So, personally, I don't put any credence into this risk report, Ms. Muzychka.

**MS. MUZYCHKA:** Despite the evidence from the other individuals that we just talked about –

**MR. POWER:** Well, were indicated – the other – Inquiry has only heard from disgruntled individuals. The Inquiry hasn't heard from Pennecon who's up there today finishing off what Astaldi had done. You won't hear that sentiment from them and you won't hear it from the construction manager and the site managers who actually built what's up there.

**MS. MUZYCHKA:** So you were telling us then that the evidence of SNC and the others doesn't carry any weight and that you're defending the model that you were implementing throughout the project, despite the fact that we know that there are multiple delays, huge cost overruns.

And you don't think that any of these concerns that were raised or identified in any way played a part in that.

**MR. POWER:** So – all right, so there's a lot in what you just said there. So a lot of the cost overruns on this project are due to the Astaldi's struggle to perform. That issue had nothing to do with Nalcor's site team. That had to do with Astaldi's struggle to perform.

So in 2014 we all know Astaldi were struggling and it was well into mid-2015 before it really got turned around and headed in the direction that it needed to be. And when it did, Astaldi basically achieved the schedule that was in their proposal.

**MS. MUZYCHKA:** Now, we've also heard from – or we will hear, I should say, from Mr. MacIsaac, when he came on board the project in 2016, that his approach to – to management was to push his project managers, like Mr. DeBourke, to be on site five days a week.

**MR. POWER:** So, I heard Darren DeBourke talk about that in his testimony and – so, you know, I can't speak for Mr. MacIsaac, but that suggestion by Mr. MacIsaac that Darren DeBourke, the project manager for the HVDC specialties, reside at the Muskrat Falls construction site, I just can't fathom how – the logic behind that, personally. That just does – that makes absolutely no sense to me.

**MS. MUZYCHKA:** Well, he certainly will testify – or as he indicated in his interview, that it's important to his approach that management team is on site to know what's going on and to be able to effectively manage the contractors.

**MR. POWER:** So, we have a site management team on site, and a construction manager. Like –

**MS. MUZYCHKA:** With –

**MR. POWER:** – when I was –

**MS. MUZYCHKA:** – little authority.

**MR. POWER:** – in Paradise River, I was the construction manager and I built that project. The financial authority was based here in St. John's. So if I wanted a change order approved, I had to get a change order authorization

approved here in St. John's. So that's the way a project worked – projects work.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Now Mr. MacIsaac might've had a different view and – you know, and that's fine, but that's certainly not my view.

**MS. MUZYCHKA:** We also heard from Mr. Tim Harrington, who's the project manager for Cahill-Ganotec.

**MR. POWER:** Or a package –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – small package in the overall scheme of things.

**MS. MUZYCHKA:** But again, you know, his view was that being on site, communicating with the crews, being visible, having a presence –

**MR. POWER:** Yeah, but he's –

**MS. MUZYCHKA:** – the type of things that –

**MR. POWER:** – he –

**MS. MUZYCHKA:** – that you spoke about, were important, and that he attributed to the success of his project.

**MR. POWER:** Yeah, but he's the constructor.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** He's the constructor, so the welders and the electricians and so on, work for him; he's the constructor for one package.

**MS. MUZYCHKA:** Right, but there's certain principles, I think, that emerge and there's a theme, is what I'm putting to you and, you know...

**MR. POWER:** And so the principles are, the project management of megaprojects, the project management team, are based in home office. And one of the exhibits – and one of the pieces of paper I gave you yesterday, that I hope goes up in this Inquiry some time before I get down, there's a listing of projects that I'm familiar

with, the project managers' names, who they are, and where they resided, and they never resided on site. That's the way projects are done.

**MS. MUZYCHKA:** Well, I don't know if we can compare those other people without looking at what their financial authority is and their decision-making authority, because titles can be different and used differently.

**MR. POWER:** Yeah, so I don't know all that. I know when I was in Paradise River, when it came to change, the change order authorization mechanisms were all approved back in St. John's.

**MS. MUZYCHKA:** All right.

So I take it then that there was no plan to make any changes in the management structure or the financial matrix, based on any of the comments that –

**MR. POWER:** No, the site team were empowered to deliver the project in accordance with the drawings and the specifications and all that. And changes, once they exceeded a certain amount of money, had to come back to head office for evaluation and approval and things like that.

And you have to remember, the management team in St. John's, they work five days a week, Monday to Friday, and they're available on weekends. So there's continuity all the time.

On the site, the teams are on a 14-and-seven rotation, so you don't get that same continuity. So for every position on site, you need two people. Every position in St. John's, you only need one person, and you need two people to cover the rotations at the site.

So if we had to move the whole project management team to the site, you'd have twice as many people. And every person, in particular, you know, managers and engineers, over the life of the project is \$2 million or \$3 million. So that's why projects are not done that way. Projects are done with the project management done at the home office, and the construction management done at the site, with people who are on rotations.

**MS. MUZYCHKA:** All right.

Let's talk about the ICS dome for a moment.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** Change gears.

Do you know if any of the other bids that came in on this package had a similar structure as the ICS proposed –

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** – by Astaldi?

**MR. POWER:** – so one of the Canadian bidders, Aecon – it might have been a joint venture, Aecon and some others, I don't remember – but Aecon proposed, and I provided the pictures of that to – I don't know if they're an exhibit or not. They proposed an ICS over spillway structure which was almost as high as the ICS that Astaldi proposed over the powerhouse, and that structure would have had eight trolley cranes.

And Aecon also, in their proposal, included for cover systems over the powerhouse itself. It wasn't one big ICS, like Astaldi proposed, but it was a series of structures that you'd build one unit or two unit, then you dismantle it and move it over and, you know, do the other units under this ICS. And that structure had eight cranes.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So Aecon did propose ICS fully over the spillway, powerhouse to be built with cover systems and a total of 16 cranes. So in many respects, it was similar to Astaldi's – many respects.

**MS. MUZYCHKA:** But wasn't as large as the one proposed by Astaldi.

**MR. POWER:** So the ICS over the powerhouse, Astaldi's was more – was larger, yes, and more complicated, I think. But, having said that, had Aecon been awarded the contract, if they constructed an ICS over part of the powerhouse and then that would have had been dismantled and reconstructed over the other part, well, that's a very significant complication as

well, 'cause now you're bidding a bidding twice or maybe three times – or I forget how many, you know, separate structures they had.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But the certainly had that concept.

**MS. MUZYCHKA:** At the time when the bids were being evaluated, were you aware of any other examples of something as large and complex as what Astaldi had proposed?

**MR. POWER:** So, me personally, I wasn't. But again, we had very experienced and good SNC engineers who – you know, this is what they do. And we had John Mulcahy on the team, and they ranked Astaldi as the highest technical bid. So I can only assume that people – not only assume – people had confidence that the ICS concept that Astaldi proposed would succeed or they wouldn't have been ranked highest, technically, in the bid evaluation process.

**MS. MUZYCHKA:** Okay.

But at the bid stage, the – Astaldi had just come with a concept design for the ICS. There wasn't any detailed engineering in that.

**MR. POWER:** No. No, I mean it's the same with Aecon. You don't do the detail work and pay an engineering company to do the actual drawings until you're awarded the contract.

**MS. MUZYCHKA:** Okay. And so –

**MR. POWER:** But they did have primarily work done with primarily drawings and – you know, it was thought out, in general.

**MS. MUZYCHKA:** There was enough information there for you to access whether or not –

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** – there was –

**MR. POWER:** – there was enough information for the bid evaluation team, who between them all had like 200 years experience, there was enough information for them to recommend

Astaldi as the high – with the highest technical score. So, that’s why it landed on my desk.

**MS. MUZYCHKA:** Did you know when you – when the Limited Notice to Proceed was issued in September –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – that Astaldi needed then to proceed to complete the drawings and do the final engineering on the ICS?

**MR. POWER:** So, I never followed what Astaldi were doing during that ICS period, you know, in detail because I’m doing a million other things. But I do know, come November, when I did look into it, I knew that a lot of the deliverables that were supposed to have happened or had been done during the ICS – during the, excuse me, the LNTP period were lagging behind, and that’s when I sent some kind of an email on that, up the chain, and expressed my opinions on all of it.

**MS. MUZYCHKA:** Is not only did – Astaldi had to do their part doing the design and the engineering, but then had to go to SNC in Montreal for approval. Correct?

**MR. POWER:** Well, no, I wasn’t heavily into that file. Mike Collins, on our team, who was the civil coordination manager, was more into that.

**MS. MUZYCHKA:** Okay.

Did that – the fact that the design hadn’t been finalized cause you any concern in terms of the schedule and getting, you know, in a position where you could start pouring concrete in the winter?

**MR. POWER:** Yeah, so I think one of the deliverables in the list of things that was supposed to have been done during the LNT period – the LNTP period, was the detailed design of the ICS, which I know wasn’t done. Now, there may have been some work done. I really don’t know the detail.

**MS. MUZYCHKA:** Okay. Do you know if there was a plan B proposed by Astaldi in the event that the ICS wasn’t –?

**MR. POWER:** Not – no.

**MS. MUZYCHKA:** No.

**MR. POWER:** I never heard of a plan B so, no.

**MS. MUZYCHKA:** Did you or your team have a plan B when you realized that the progress on the ICS was moving behind schedule?

**MR. POWER:** Well, we – everyone tried to make the ICS work throughout 2014. That was the focus.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** And at the end of 2014 the frame was half built and, you know, the decision was taken sometime in early 2015 or the record of the decision, which was in Astaldi’s monthly report for February of 2015 – in there it said that they had demobilized Proco, which is the ICS builder, and they won’t be constructing units 3 and 4 over the ICS. But the effort during 2014 was everyone was focused on trying to get the ICS done so we could start building the powerhouse instead of building the ICS.

**MS. MUZYCHKA:** Okay so there wasn’t any thought given to this might not be so viable.

**MR. POWER:** Well –

**MS. MUZYCHKA:** We wouldn’t want to –

**MR. POWER:** – you know –

**MS. MUZYCHKA:** – compromise our schedule, perhaps we should look at an alternative?

**MR. POWER:** Yeah, that started to become apparent, I think, at the end of 2014.

**MS. MUZYCHKA:** Okay, so this – ICS ran its course for over a full year –

**MR. POWER:** It did.

**MS. MUZYCHKA:** – before –

**MR. POWER:** Yeah. And then the decision was made by Astaldi in early 2015 – or it was reported actually done in December 2014 – that



units 3 and 4 – we’re not going to build an ICS. So, in 2015 then, work was actually done in units 3 and 4 without an ICS. Tower cranes were erected and then, eventually, at the end of 2015, the ICS was pulled down and more tower cranes were erected down in 1 and 2, and then the whole thing was built very successfully, I might add, albeit we were already late, with the – you know (inaudible).

**MS. MUZYCHKA:** But you had lost a whole construction season by that point.

**MR. POWER:** Oh yeah. Yeah, I mean that’s the fact – the facts of the matter. Yeah.

**MS. MUZYCHKA:** Okay. And so –

**MR. POWER:** But in December 2014 there was workshops – a three-day workshop at the site and I was there and attended. At that time, the presentations, which you have – I gave you yesterday or someone has – showed that Astaldi intended to construct units 3 and 4 in January, February and March of 2015. But, obviously, they changed their mind later that month or in January.

**MS. MUZYCHKA:** But we heard a testimony from Don Delarosbil how once he came on site and re-evaluated, he decided to shut down during winter months than do construction –

**MR. POWER:** Yeah so –

**MS. MUZYCHKA:** – so that it’d be more efficient.

**MR. POWER:** – by the time –

**MS. MUZYCHKA:** So he basically re-evaluated the process and put forth a plan that he thought was more efficient use of the –

**MR. POWER:** Yeah, so by the time Don came, which was in mid-May 2015, the decision not to construct the ICS –

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** – over 3 and 4, that was already done.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Right, and the new – all the new supervision that was in place when Don came, that was there. And I am assuming you’re going to discuss that some – in this Inquiry while I’m here, how, you know, Nalcor provided two construction managers – or Astaldi availed of two construction managers from Nalcor, and then they tapped into the supervision of the other projects and populated the org chart. And they also recruited Don Delarosbil, by the way.

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Because they phoned Don and told him about it. But – so when Don came in May 2015, things were a lot better than they were, you know, three or four months before that.

**MS. MUZYCHKA:** Right and we’ve heard testimony that in 2015 the productivity was increased and things turned around from the rather inauspicious –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – start in 2014.

**MR. POWER:** Yeah, for lots of reasons.

**MS. MUZYCHKA:** Right.

**MR. POWER:** The working groups, the intervention at the management level, the two construction managers from Nalcor going to work, you know, with Astaldi and they bringing in the supervision, like from Hebron. In fact, Exxon were complaining to Nalcor that we took all their best supervisors and then Don came in and raised it up another level.

Yeah, so it’s a bunch of combinations went in play to make 2015 a successful year; I think we got 110,000. Well, I was on the site for a large part of that year as well.

**MS. MUZYCHKA:** Got 110,000 what?

**MR. POWER:** Cubic metres of concrete –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – poured in 2015.

**MS. MUZYCHKA:** So we talked earlier about, you know, May 2014 when you had been on site and you saw the state of –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – construction –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – and you’ve said the schedule was lost. We’re now talking about the spring of 2015. The ICS has been a failure. It’s being taken down. Yes, there’s a new manager in town, Don Delarosbil. Nalcor has provided some managers from its team to assist. And at that point you know that you’ve lost a winter – a whole construction season, essentially, with the delays caused by the ICS.

**MR. POWER:** No, that’s correct. There was another project manager you overlooked there, Giacomo Orsatti, who came in –

**MS. MUZYCHKA:** Despite that –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – despite the positives –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – the facts still remain that, you know, certainly by the spring of 2015 it was obvious to all that you’re well behind schedule.

**MR. POWER:** Yeah, it was a year – a year and a half lost.

**MS. MUZYCHKA:** Right.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Was there any thought given or discussion amongst the management team about re-baselining the project at that time, now a year after?

**MR. POWER:** Yeah, maybe it was done at that time.

**MS. MUZYCHKA:** So this wouldn’t be a decision that you would be involved in?

**MR. POWER:** I was more focused on the site to try to make things happen. I know Paul Harrington was looking at the re-baseline and perhaps Scott.

**MS. MUZYCHKA:** But the – you know, making things happen means looking at the schedule and evaluating the schedule and seeing whether or not you can make it happen, I guess, to put it simply.

**MR. POWER:** No, so it’s make things – get things happening first and then re-baseline to see –

**MS. MUZYCHKA:** Worry about the schedule second?

**MR. POWER:** Yeah, you got to get stuff happening.

**MS. MUZYCHKA:** Okay. So that –

**MR. POWER:** But there were people, you know, looking at the schedule all the time.

**MS. MUZYCHKA:** When you say looking at the schedule, what does that mean?

**MR. POWER:** Working the – trying to understand the schedule. Where are we?

**MS. MUZYCHKA:** Well, I think we all knew by 2015 – I don’t mean me personally but I think we, as in the group on site, knew that –

**MR. POWER:** We were behind.

**MS. MUZYCHKA:** – you were behind and behind significantly –

**MR. POWER:** Right, but the challenge is –

**MS. MUZYCHKA:** – by a couple of months.

**MR. POWER:** – where are we – how are we going to take off so you can construct the new schedule, getting confidence in the way forward.

**MS. MUZYCHKA:** Doesn’t it make sense to sit down and revisit where you are and say: We need to re-baseline; we need to evaluate our risks. We need to see what’s coming and see how we can make all this work so that we can

get this project done efficiently, on schedule and within cost (inaudible)?

**MR. POWER:** Yeah, so that type of work, yes, was being done.

**MS. MUZYCHKA:** But not done by you when you weren't –

**MR. POWER:** But not done by me personally, no.

**MS. MUZYCHKA:** Okay. But would you have been the person that they would look to as the manager who reports to Paul Harrington to say we have problems and we need to look at re-baselining?

**MR. POWER:** Yeah, I'd be, you know, part of the discussions for sure.

**MS. MUZYCHKA:** So you were part of the discussions, or were there any discussions, I guess, is – I'm not getting a sense that there was any discussions about re-baselining or revisiting the schedule until much later in the process. Is that fair?

**MR. POWER:** So I'd need to look at – on the overall progress chart for the project, you can see when the re-baselines – there are these steps in the curve. I'm not sure – I can't remember –

**MS. MUZYCHKA:** 2016?

**MR. POWER:** – if it 2015 or 2016.

**MS. MUZYCHKA:** Okay. Well, it certainly wasn't 2015.

**MR. POWER:** It may not have been. I know we were well below the curve and that's shown on the curve – on the project curve today.

**MS. MUZYCHKA:** All right.

So, the next thing I want to talk about is the Ibbs reports on productivity and that is – I don't believe it's in our binders, but if we could – well, let's just let me ask you, generally, about what the Ibbs report is. So, are you familiar with that?

**MR. POWER:** So, I'm – there was an individual called Bill Ibbs, Dr. Bill Ibbs, who was one of the people on our project. One of our claims specialists, Bruce Hallock, knows Dr. Bill Ibbs – knows or knew of Dr. Bill Ibbs.

So, he – Dr. Bill Ibbs is a productivity consultant. I think he has a company and one of the things they do is assess productivity on construction jobs. So, in any event, he was brought in, I think it was funded jointly between Nalcor and Astaldi. I wasn't, you know, bringing – I wasn't dealing with the Ibbs file. I think that might have been Lance Clarke and someone over in Astaldi who were dealing with that.

But I do know they came to site, and I don't think they were there that long, maybe a week or so, and they may have been there more than once, actually. But they did do an assessment of productivity and, at the end of the day, they produced a report, I think, in early 2015, I recall.

**MS. MUZYCHKA:** There was a report on March 20, 2015.

**MR. POWER:** Yeah. And I think there might have been some other reports after that.

**MS. MUZYCHKA:** And then there was a couple of subsequent ones.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** Yes. So, you're familiar with the reports.

**MR. POWER:** I'm familiar with the March '15 one.

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** The other ones, I'm not so familiar.

**MS. MUZYCHKA:** Okay.

So, well, obviously, they identified, and Nalcor and Astaldi would have identified –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – that there were problems with productivity. Otherwise, my guess – why retain someone to look at it.

**MR. POWER:** Mm-hmm.

**MS. MUZYCHKA:** But one of the comments that was – that came out of the report was that there was a concern re: lack of – the concern regarding a lack of progress didn't appear to be recognized to the extent that – and I'm just pulling a quote out from it – that the team mistakenly believed that it was under control. And this is in 2015.

Did you believe that productivity was under control at that point?

**MR. POWER:** So, they were there, I think, in early 2015.

**MS. MUZYCHKA:** Right.

**MR. POWER:** But what was happening there was things were getting better. Things were on the uptake. So Astaldi and us, jointly, in our productivity working groups, instigated a lot of productivity initiatives. One of which, for example – I'll just give you an example – so, I brought the SNC design team, the main designers, down from Montreal and we sat down in a two-day workshop with the Astaldi people, Georges Bader was there, for example, and others. And we looked at opportunities for combining concrete pours.

So if you're going to do a concrete pour to fill up this building – this room here, instead of it being two pours, could we do it in one pour, then you wouldn't have to put up formwork in the middle and things like that. So we did a lot of that kind of work, combining pours and other things.

So, at the end of the day, on the – if you look at that management report I spoke about earlier, I think there's like a thousand concessions that Astaldi proposed. So we worked with Astaldi to create a lot of those concessions, and, you know, concessions are in place to improve, to make life easier to build the thing, to make it easier to build.

**MS. MUZYCHKA:** Right.

**MR. POWER:** That's what a concession is.

**MS. MUZYCHKA:** No, and I understand that in 2015 that Astaldi showed an increase in productivity, and certainly the amount of concrete that was placed that year was far in excess of what had been done the previous year.

**MR. POWER:** Yes.

**MS. MUZYCHKA:** But I also understand from reading the Ibbs report that it still never reached the expected labour productivity that was anticipated when the project was bid.

**MR. POWER:** So I think that's true, although, I think in 2015 for a period of time, in the spillway pours, it was pretty close. The, you know, number of hours of labour per cubic metres of concrete, whatever, I think that's one of the ways productivity was measured. But I don't think the productivity on the project, on the CH0007 contract, ever got to the numbers that were anticipated by Astaldi in their bid.

**MS. MUZYCHKA:** Right. So even at the end of 2015, notwithstanding that there had been improvement, there was still a long ways to go in order to be able to –

**MR. POWER:** Get back to – to achieve what was in the bid and what was in the cost estimates.

**MS. MUZYCHKA:** Right, and then there –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – certainly wouldn't have been any way to make up lost ground, based on the productivity. That would've been a tough call.

**MR. POWER:** Yeah, I don't think you can make up the schedule. You can make up the productivity, you know, somehow, but not the schedule.

**MS. MUZYCHKA:** No, the schedule was lost.

**MR. POWER:** Yeah, the original schedule, yeah, it was lost, yes.

**MS. MUZYCHKA:** Okay.

Now, I want to bring up Exhibit P-03028, and I don't believe these are in the binders, but just – this is a bridge agreement that was dated 27 July 2016. And then there was a completions agreement that was P-03029 and that's dated June 2017.

So, the completions agreement, as I understand, were amendments to the contract with Astaldi.

**MR. POWER:** Pardon me?

**MS. MUZYCHKA:** The completions agreement –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – were agreements made with Astaldi in which there was changes to the contract price.

**MR. POWER:** Yeah. So I wasn't involved in negotiating any of these agreements. Lance Clarke, who's coming up in the Inquiry after me, certainly was.

**MS. MUZYCHKA:** But you would've had some knowledge of what was happening in terms of the planning and making the decision as to whether – how much time, how much money would be necessary, would you, as the manager?

**MR. POWER:** No, so I wasn't involved in these agreements.

**MS. MUZYCHKA:** Not at all?

**MR. POWER:** No. And so during that time in 2016, my energies were into the plan B option, should these agreements never have materialized.

**MS. MUZYCHKA:** Okay. So you were aware that there were agreements, which –

**MR. POWER:** Yeah, there was a whole bunch of people working at this –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – but I wasn't one of them.

**MS. MUZYCHKA:** Okay.

Now, we did hear through Mr. Mulcahy's testimony that there was a meeting in which you had proposed that Astaldi be kicked off the job and that you were going to take over CH0007.

**MR. POWER:** Yeah, so that might have been back in 2014 days that I might've had that notion but –

**MS. MUZYCHKA:** That wasn't later in 2016 – 2015?

**MR. POWER:** I don't think so.

**MS. MUZYCHKA:** No?

**MR. POWER:** But I was reminded very curtly by everyone that we're not contractors, we're not a construction company. We're an owner's team so ...

**MS. MUZYCHKA:** Okay.

Then we know, ultimately, Astaldi was terminated on November 8, 2018.

**MR. POWER:** That's correct.

**MS. MUZYCHKA:** And that's P-03132, which is not in our books either. All right.

Okay. So I'm going to ask you some things now about Darren DeBourke.

**MR. POWER:** Yup.

**MS. MUZYCHKA:** And I understand that he was involved with the HVDC part of the project. He was the –

**MR. POWER:** Yes.

**MS. MUZYCHKA:** – he took on the project management role there.

**MR. POWER:** Yup.

**MS. MUZYCHKA:** And Mr. DeBourke reported to you up until the time bifurcation occurred and then he reported to Mr. MacIsaac. Is that correct?

**MR. POWER:** He reported to me up until the project bifurcation occurred and the project went

in two halves with a VP for each have. So, after that, I think he reported directly to John MacIsaac for a while and then John appointed a new project director between him and Darren, which was Greg Fleming and then Darren reported to Greg, I think.

**MS. MUZYCHKA:** Okay.

But I think in 2011 you were the person that hired Darren DeBourke?

**MR. POWER:** Yes, I advertised for area managers, and I got a bunch of résumés in from all the – now, we wouldn't have gotten résumés from SNC, 'cause that time, you got to remember, we're still – SNC are the EPCM consultant, and we're the owner's team, so the résumés would've come from elsewhere outside of SNC.

**MS. MUZYCHKA:** All right.

**MR. POWER:** So, yeah, so a bunch of résumés did come in. I don't think there was anyone acceptable there, and –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – then three or four months later, it was sometime after we actually put the role out there and the – Darren's résumé came in from one of the agencies, and we interviewed Darren. I didn't know Darren before that, and I may have interviewed him more than once, but yeah, so I hired – we hired Darren DeBourke, yeah.

**MS. MUZYCHKA:** Now, I understand from Mr. DeBourke's testimony that prior to getting the position, while he had project management experience, he had very limited technical knowledge of power supply and no equivalent experience on converter station or switchyard sites.

So, was that a concern for you (inaudible) –?

**MR. POWER:** So if you look at the role descriptions that I put on the street at that time – and they're in this binder; I was looking at 'em this morning –

**MS. MUZYCHKA:** Mm-hmm.

**MR. POWER:** – the qualifications that I included in the role descriptions, I was looking for someone with 15 to 20 years of project management experience. I didn't say I wanted someone who built a converter station before or someone who built a switchyard before.

I said in that role description that's here – I saw it this morning – that I wanted project managers.

**MS. MUZYCHKA:** Well, let's go to Exhibit P-03783, which is in Ron Power binder 2, tab 96.

This is an email setting out a number of résumés set out. It appears to be multiple candidates with extensive experience, both technical and experience in project management, with requisite electrical engineering backgrounds and project management experience in HVDC conversion projects.

If we look at page 11, we have a professional electrical engineer with a university master's degree in electrical power systems, and this candidate also has project management experience in HV AC/DC conversion projects. And then if we look at page 36 –

**MR. POWER:** Yeah, but see – but on page 11, this individual – I'm just skimming this now – this is a technical person. I wasn't looking for technical people. We had technical people in spades. I was looking for the chess masters.

**MS. MUZYCHKA:** Okay, but if you look at –

**MR. POWER:** (Inaudible.)

**MS. MUZYCHKA:** – the second line of the highlights: Extensive experience in HV DC/AC and also: "Experienced in project management in overground and underground Transmission and distribution ...."

**MR. POWER:** Yeah, but if you look at the résumé itself, look at the jobs the person was on, you know – and we would have interviewed – I mean, I assessed all these résumés if this – if they came from us before Darren even showed up.

**MS. MUZYCHKA:** Well, let's look at page 36, another candidate.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** This candidate lists 20 years' experience in management of HVDC projects, including –

**MR. POWER:** What page again, Ms. –

**MS. MUZYCHKA:** Thirty-six.

Under their career profile, 20 years' experience, "management of HVDC projects, including substation upgrade, transmission line, switchyard installations."

**MR. POWER:** Yes, we may have interviewed – I really can't comment. I may have interviewed this person, but the résumés, as well, I can tell you – the résumé is a piece of paper with words on it. When you interview individuals, sometimes you get a completely different story.

**MS. MUZYCHKA:** Well, I mean, when you're hiring someone for the position that you were for Mr. DeBourke's –

**MR. POWER:** Right, I was hiring a project manager.

**MS. MUZYCHKA:** Okay, but didn't you feel, at some level, a relevant technical knowledge was necessary or important?

**MR. POWER:** So – all right, so I will say that with respect to the HVDC specialties – and I think Darren DeBourke said it on the stand or somewhere – that aside from the software, which is the black box, the remainder of that scope of work compared to the type of work he did, which is offshore oil and gas installations – the remainder of that scope of work is rudimentary compared to the complexity of the scopes of work that he had been involved with aside from the software.

**MS. MUZYCHKA:** But he was tasked to visit multiple bidder sites in other countries and evaluate bidders' performance. I mean, you think you'd need a little bit of knowledge –

**MR. POWER:** But you'd have technical people with you to do that. He would go and review the project management aspects: the schedule management, the cost management, the quality

management, the safety management, the schedule performance and things like that. There was oodles of technical – we had people from TransGrid from Winnipeg on the team, and they're the best HVDC people around. And SNC had very experienced technical people.

So we had the technical competency in spades. What I was looking for was the project manager, the project management – the manager to project manage that. So if these came in before Darren's résumé did – I didn't know who Darren was. I would've looked at these, but I never hired any of these for some reason. I can't tell you what the reason is here today. But, you know, that's if I – if these came in.

But, you know, when Darren's résumé did come in and I interviewed him, I was impressed with his experience. He had 20 years in project management experience on electrical, mechanical type installations. It doesn't matter if it's a converter hall with that piece of kit or something, an offshore platform with that piece of kit. That's – the technical people can sort that out.

**MS. MUZYCHKA:** Okay.

We did hear from Thierry Martin and Laszlo von Lazar that there was – their relationship with Darren DeBourke was very conflicted. I don't know if you were aware of that or if it had made its way to your attention.

**MR. POWER:** So I would say that the most difficult contractor that we've had on the Lower Churchill Project, from a delivery perspective, was GE – without question. Amazingly so, with a company with 600,000 people and here they are complaining about little old Nalcor. So Darren did a very good job of managing that contractor to get it to where he did before he left the project.

**MS. MUZYCHKA:** Do you have any concerns about the relationship between Mr. DeBourke and the individuals at GE – may have an impact on, you know, the 0501 and 0502 packages?

**MR. POWER:** So I've been out of the HVDC scope of work since the bifurcation.

**MS. MUZYCHKA:** Right.

**MR. POWER:** I don't know what's happening, other than what I hear. And there have been Herculean struggles with GE to get GE to deliver what they're contractually obligated to deliver (inaudible) –

**MS. MUZYCHKA:** Yeah, surely that didn't start in 2016? I mean, there were issues –

**MR. POWER:** Oh no, there was a struggle –

**MS. MUZYCHKA:** – so –

**MR. POWER:** – when they were – when we awarded the contract to Alstom. It's been a challenge all the way through, but you know we worked through the challenges.

**MS. MUZYCHKA:** Okay. So you feel comfortable that Mr. DeBourke was the appropriate candidate for managing –

**MR. POWER:** Darren DeBourke did a good job, in my view.

**MS. MUZYCHKA:** Mr. Lazar – von Lazar did testify that after the bifurcation and the change in management in 2016 he found that the relationship between Nalcor or Muskrat Falls Corporation and GE was a lot more improved –

**MR. POWER:** (Inaudible.)

**MS. MUZYCHKA:** – and there was greater productivity.

**MR. POWER:** Yeah, so that's a contractor talking. So I wouldn't put too much credence in that, actually, Mr. Muzychka.

**MS. MUZYCHKA:** All right.

**THE COMMISSIONER:** This might be a good spot to break for our break this afternoon.

**MS. MUZYCHKA:** Yes.

**THE COMMISSIONER:** Okay.

We'll break for 10 minutes then.

**CLERK:** All rise.

### Recess

**CLERK:** Please be seated.

**THE COMMISSIONER:** All right, Ms. Muzychka.

**MS. MUZYCHKA:** Thank you.

All right, Mr. Power, I'm going to ask some questions now about CH0009. You know that's the package for construction of the North and South Dams?

**MR. POWER:** Yes.

**MS. MUZYCHKA:** What was your role when the bid evaluation for CH0009 was underway?

**MR. POWER:** Yes, so I was on the management team –

**MS. MUZYCHKA:** Can you turn your mic on?

**THE COMMISSIONER:** Just flick your mic on.

**MR. POWER:** Can you hear me now?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Yeah, so I was on the management team. So when the bid evaluation was completed, the bid evaluation team presented a recommendation to me. Now, I was on the management team, I believe Scott O'Brien was on the management team and maybe another, I don't know. But while the evaluation – in that time frame when the evaluation was happening, which was the fall – late fall of 2014 and, you know, Q1, Q2 2015, I was spending a lot of time on the Muskrat Falls site in those days.

So other than a brief update every now and then, I wasn't really following what was going on. But in July of that year, the evaluation team – which was led by Ed Over, I think, and Clint McClintock at that time, and John Mulcahy, they were the team – they presented to me the outcomes of their evaluation.

**MS. MUZYCHKA:** Okay and was there only one presentation to you?

**MR. POWER:** Yes.



**MS. MUZYCHKA:** Okay and that took place when?

**MR. POWER:** That was in July – it's on that deck we looked at, July 24 or something, 2015.

**MS. MUZYCHKA:** Okay.

We heard testimony from Mr. Turpin about the bid process and the evaluation which he was involved with, certainly, in the early part of the evaluation. And he was ultimately moved from the North and South Dams to the Spur.

**MR. POWER:** Yes, so I asked – we did, it was my suggestion –

**MS. MUZYCHKA:** Mm-hmm.

**MR. POWER:** – for Mark to go out on the North Spur because the contractor was getting started there and the individual we had looking after the construction at that time – an individual called Fletcher Baltz from the US – he wasn't cutting it, I'll say. So we put Mark up on the site, and then –

**MS. MUZYCHKA:** Did it have anything to do with his involvement with the evaluation process for CH0009?

**MR. POWER:** Not that I recall.

**MS. MUZYCHKA:** No?

**MR. POWER:** No.

**MS. MUZYCHKA:** And, ultimately, Mr. Turpin was terminated, his contract was –

**MR. POWER:** Yeah, and I can talk about that at some point if you want me to.

**MS. MUZYCHKA:** Yes, you can indicate what you know about that.

**MR. POWER:** You want me to do that now?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** All right, so Mark – let me (inaudible). So I kind of protected Mark. Mark was a bull in the china shop but he got work done. But from a commercial acumen

perspective, Mark was – he violated process more than once, I'd say.

So, for example – I'm trying to think now, when – yeah, when Gilbert wanted to work later – late in the year and through the winter, which commercially didn't make sense because you'd need the Gilbert machine to – the machine that was in place during the construction season, which supported five or six work fronts – you'd need that same machine during the winter to support the one or two work fronts. So the indirects – I think, you know, is the term that's used – cost of supporting the direct work would be more than what it would be if that work was done during –

**MS. MUZYCHKA:** Okay, what's –

**MR. POWER:** – the regular construction season.

**MS. MUZYCHKA:** What does that have to do with Mr. Turpin?

**MR. POWER:** Well, Mark – so what it has to do – so Mark was pushing for the contractor to continue to work through the winter. Scott said, no, we're not doing that because it will cost a lot more money at the end of the day. And Mark would go around Scott, to me, or to Gilbert Bennett, to try to convince us to make that happen and override Scott. So, that's one example.

Another example is one of the quarries that the Gilbert contractor was using to get rock from – quarry number six, I think it was called – the quarry – when you get a quarry permit from the government, it has certain rules associated with it so that the rock wall heights – maximum rock wall height of the quarry will be this or that. So Mark was allowing the contractor or, I'm not sure, maybe even instructing the contractor, but he was violating the term – the conditions of the permits and OHS came to site. As it was, you know, we kind of got away with it, I'll say, but there was a – certainly a possibility – kind of breaking the law, there was certainly a possibility there that Nalcor could've been written up or whatever, fined or whatever, and that Scott O'Brien, as the project – personally could be, so Scott was annoyed with Mark there, on that one.

There may be some other instances, but eventually, there was a – eventually, because of the angst that Mark was causing by that type of behaviour, the decision was made we'd demobilize Mark.

**MS. MUZYCHKA:** Okay.

Let's bring up P-01901, which is at binder 4 of the PMT binder, tab 102.

**MR. POWER:** What's the – what's the tab number again, please?

**THE COMMISSIONER:** It's 102.

**MS. MUZYCHKA:** (Inaudible), yeah, 102.

**THE COMMISSIONER:** Book number 4, PMT binder.

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** PMT binder, four.

**THE COMMISSIONER:** Tab 102.

**MS. MUZYCHKA:** Can we just scroll up on that a little bit? All right, we'll just leave it there for now.

Mr. Turpin testified that in a meeting about the RCC mix design –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – Mr. O'Brien refused to listen to two experts that had been hired by Nalcor, Brian Forbes and Michael Dunstan, and –

**MR. POWER:** Malcolm.

**MS. MUZYCHKA:** – Malcolm, sorry –

**MR. POWER:** Malcolm.

**MS. MUZYCHKA:** – and he'd torn up a memo in front of Mr. Turpin and told him that he would be fired if it – if it was brought up again.

Were you aware of this issue involving Mr. Turpin and Mr. O'Brien and the concrete mix –

**MR. POWER:** All right –

**MS. MUZYCHKA:** – design?

**MR. POWER:** – so I was well aware of the mix design efforts that were taking place. That particular report that someone showed me, or it might've been on the – in the website here, report written, it was written by Malcolm Dunstan, but at the back page there was three or four signatures on it. Mark Turpin's was on it, I believe, Malcolm Dunstan, Brian Forbes and the – Greg Snyder, engineering manager. So I never saw that particular memo before, and the incident where you're talking about, where Mark alleges, I guess, that Scott tore it up and – or something in front of him – no, I wasn't aware of any of that.

But I was aware of the debate as to whether the contractor should own the mix design or whether the owner – we should own the mix design. I was well-aware of that debate.

**MS. MUZYCHKA:** Okay. It's actually page 11 on that exhibit for – for those who are looking at it.

So you didn't – you didn't actually see the expert memo, I gather.

**MR. POWER:** Yeah, that was from Malcolm Dunstan. Yea, it was –

**MS. MUZYCHKA:** Did – so you did see it?

**MR. POWER:** No, I never saw this one, but I saw – I've seen several reports from Malcolm, which are written in the same format.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But no, I never saw this one with those signatures on the back, no.

**MS. MUZYCHKA:** Would you have expected Mr. O'Brien to have provided you with that? Or is that something –?

**MR. POWER:** No, not necessarily. Scott's the project manager.

**MS. MUZYCHKA:** (Inaudible) of his direct report?

**MR. POWER:** No. Well, I had a lot of direct reports.

**MS. MUZYCHKA:** Okay. So, this was not an incident that would come to your attention.

**MR. POWER:** So, I was aware of the issue of the debate over who should do the mix design but not every detail, no. I mean, I spent 60 per cent of my time recruiting people and dealing with drama. You know, I've got 5 or 600 people on the team and every one is a Type A personality. So, I can't be into every detail like this here.

**MS. MUZYCHKA:** Okay. But you did say you spent some time on site in Muskrat Falls.

**MR. POWER:** I did. So I got very interested in the mix world because we were building the largest RCC dam that would have ever been built in Canada. I learned from Malcolm, because Mark Turpin contacted Malcolm Dunstan and Malcolm got a website called: rccdams.com, he's from the UK.

So, we had Malcolm in the picture. We had Brian Forbes. Brian was an RCC expert from Australia. He was on the advisory board that we had at one time. So, I was aware of the mix work that was being done, you know, up to – a couple of years before we built the dam. So, here we are, building the largest RCC dam in Canada, in a very challenging environment.

The only other RCC dam in Newfoundland – there's a small one in Grand Falls, which is 7,000 cubic metres or something, (inaudible), a small one. Not everyone who built that, by the way, was on the team. So, Ed Bush was project manager on that. The Hatch people on the project were the designers. And McNamara Construction with John Mulcahy, they built it.

**MS. MUZYCHKA:** What was your role then with respect to that?

**MR. POWER:** In which one?

**MS. MUZYCHKA:** You said you spent time on site and you got very much involved in the –

**MR. POWER:** In the –

**MS. MUZYCHKA:** – concrete.

**MR. POWER:** – in the – this one?

**MS. MUZYCHKA:** Yes.

**MR. POWER:** Yes. So, what I learned from listening – from attending presentations by Malcolm Dunstan and Brian Forbes, I learned that the mix – the mix is the key to the success of an RCC dam because when you're building a dam, especially in a cold climate, a concrete dam, you got to make sure that when you water up the dam, the water doesn't trickle through the aggregate, if it's not compacted properly and start coming out on the back of it. In a hot climate, that doesn't matter. But in a cold climate where we get freeze/thaw all the time, the water is freezing and thawing, you'll start spalling off all the concrete. So the key to an RCC dam, or to any concrete structure that's being built in a cold climate, is that the concrete is consolidated completely so that there's no voids in the concrete.

And for RCC, I learned from Malcolm and from Brian Forbes, that's all about the shape of the aggregate, the rocks that are into the concrete. So Malcolm had concerns with the aggregates that Barnard-Pennecon were producing, although they met the specification, but he just had concerns. So I got in the middle of the mix world, 'cause I wanted to make sure that when we built that RCC dam at Muskrat Falls, that we got a 100-year structure with no problem. And we do, that's what we got there now.

So I spent three weeks or so, or three or four weeks up with Malcolm up on the site. And Malcolm was an elderly British gentleman, considerably older than I am, very opinionated.

And when Malcolm went to the site, everything was “appalling” – that was his favourite word in the dictionary.

**MS. MUZYCHKA:** So, is it –

**MR. POWER:** So anyway, I worked with Malcolm for three or four weeks, doing all these mix designs – we probably did 200. We eventually circled back to the one that Barnard proposed in the first place, but we – which we used, but we used the lower end of the acceptability of that. So we had to control the water very rigorously to get the mix that we wanted.

**MS. MUZYCHKA:** Is this something, though, that would’ve fallen within the purview of your responsibilities as –?

**MR. POWER:** So my – one of my responsibilities is to make sure that when the Lower – when the Muskrat Falls hydroelectric project is finished, that we got a structure that will produce power, reliably, for 100 years. So, for example, on Good Friday past, I was on my way to Mexico and I went – I went in the office 5 o’clock in the morning, on the way to the airport, my wife stayed in the car, and I went in and I sent out an email to the whole team, and I copied Stan Marshall – excuse me, now – about the beauty of hydroelectric power.

So the petty – the plant down in Petty Harbour achieved first power on April the 19th, 1900, and that thing is still producing power. No greenhouse gases, no dirt, and the fuel supply for that plant, which is those rivers, is still there now as it was 120 – 119 years ago. That’s what hydropower is, that’s why this world needs hydropower.

**MS. MUZYCHKA:** Right, I understand that, but I’m just questioning, you know, why you would’ve taken three weeks –

**MR. POWER:** Because I wanted the full confidence –

**MS. MUZYCHKA:** – out of your busy job managing all these individuals and the project to –

**MR. POWER:** Because I wanted full –

**MS. MUZYCHKA:** – fiddle with concrete –

**MR. POWER:** – full confidence that that RCC dam we’re building at that site will be top quality – top quality. And it’s all about the mix designs.

**MS. MUZYCHKA:** And did you do that with any other parts of the project?

**MR. POWER:** I didn’t – I – the Astaldi concrete, I built that before, in Nigeria, same powerhouse. I knew all about that. But I didn’t know RCC. I didn’t know about it. So I learned about it. I picked Malcolm Dunstan’s brain. I picked Brian Forbes’s brain, and then I hired – so then I got the RCC bible, the American Concrete Institute publication 307 on RCC dams. This is the most prestigious concrete institute in the world. This is their publication, it was put together by a committee. The chair of that committee was an individual, Tim Dolen.

So I hired Tim Dolen, and I put Tim on the site for two years as our senior construction RCC engineer. And here Tim was an American; Barnard-Pennecon were American, so you had the Yanks working together like clockwork. If I had to put Malcom Dunstan up there, there’d be an American revolution. So I put Tim there, and he worked with Barnard, and Tim got into the – and Tim was a material specialist, and we built a beautiful dam. Top quality.

**MS. MUZYCHKA:** Okay. But you still didn’t answer my question, which was whether or not it was necessary for someone at your level to be –

**MR. POWER:** I think it was –

**MS. MUZYCHKA:** – micromanaging the –

**MR. POWER:** – because I raised the awareness. Because Barnard were coming in to build it, and they wanted to be on the other spectrum of the mix that is nice and dry and easy to drive the trucks over and all that. But then you’re in danger of getting this honeycombs and

water percolating through the dam. So I raised the awareness with the whole team of the importance of that mix design, and keeping it wet and stuff like that. And then we put cameras on the dam –

**MS. MUZYCHKA:** Okay, you don't need to get into all the details of it.

**MR. POWER:** Okay, all right.

**MS. MUZYCHKA:** I understand. So, you know, it seems like it was more of a passion part of the project for you. Is that correct?

**MR. POWER:** I was very passionate – I'm very passionate about quality.

**MS. MUZYCHKA:** Okay. All right.

Well, let's go to the – back to the bid selection process now.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And we're gonna look at P-02802, which is in your book, Mr. Power, binder 2 at tab 98.

**MR. POWER:** Tab 58?

**MS. MUZYCHKA:** Ninety-eight.

**MR. POWER:** Ninety-eight, okay.

**MS. MUZYCHKA:** All right. So, this is a presentation – I believe it was done by Ken McClintock – with respect to the construction of the North and South Dams. And if we go to page 13 – actually, what we could do is start with page 11. So here the bid evaluation process is underway. Am I correct in that?

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And this was dated, I believe, July 24, 2015.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And so there were two bidders that were left in the running.

**MR. POWER:** Yeah. There originally was three, and the third one being Astaldi. And that got dropped off along the way, so we ended up, you know, with these two bidders.

**MS. MUZYCHKA:** Okay. So we had Barnard-Pennecon –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – and H. J. O'Connell-Dragados.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** All right.

And so the purpose, I guess, of this presentation – this was made to you, Scott O'Brien and Pat Hussey, I understand.

**MR. POWER:** Yeah, I was on the management team; Scott was on the management team. I'm not sure if Pat was on the management team or not, but, you know, he was there.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** I think he – I know I was there, Scott was there. I'm not sure who else was there on the receiving end.

**MS. MUZYCHKA:** So in on page 11 and page 12 –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – it's just Bidder Overview, and it highlights the pros and cons for each bidder.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And for example Barnard-Pennecon: solid project team, RCC experience, schedule float, built-in additional capacity, et cetera. And then the cons are it's a higher evaluated price, marginally higher extra work rates, and there's no cap on craft labour.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And then if you look over at the page 12 and H. J. O'Connell-Dragados.

The pros are in relation to the lower evaluated price after normalization; it's a lump sum, with the exception of those enumerated; highly rated RCC experience, and they have previous Muskrat Falls experience. And then the cons are identified there: a weak project team, key RCC resources appear to be on an ad hoc basis, tight schedule, no float and so on.

So the next page, 13 –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – is the evaluation and scoring –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – and it's – the first bullet says, "New scoring model emphasizing execution and project team."

**MR. POWER:** Yup.

**MS. MUZYCHKA:** Is that a change in the scoring or bid evaluation process?

**MR. POWER:** Yeah, so what I heard in that presentation – and I'd like to go back to pages 11 and 12 in a minute –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – to talk about the strengths and weaknesses that we saw there. But with respect to the process – so what I heard was when Ken McClintock came in to take over from Mark, Ken examined the bid evaluation plan that the – that was in place – the one that we all signed off on. And Ken judged that there should be more emphasis on the execution plan and the project team that was in the original bid evaluation plan. That was my understanding of the way it was explained it to me.

**MS. MUZYCHKA:** Would that have an impact on who the successful bidder is?

**MR. POWER:** So when this was presented to me, and the recommendation in here somewhere was to move forward with Barnard-Pennecon, I challenged that team – that bid evaluation team – to score this using the bid – the – originally, the bid evaluation plan that I had signed off on –

or I think I did, but someone did – you know, the approved evaluation plan, to score this against that plan. Which they did, I think, the same day or something, and Barnard came out on top 'cause Barnard had the stronger proposal.

But if I can go back to those pages, can I talk about page 12?

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Yeah, so when the H. J. O'Connell-Dragados reasons were put up, the issue with them I was told in that meeting and – by John Mulcahy in particular 'cause he was our technical expert; he was our constructor that we were paying a lot of money to, to be on this project, and he was on this team. John argued that the program that was put forward by H. J. O'Connell put the river closure in jeopardy. And if you didn't close the river, you'd lose a year on the schedule. And I think the reasons were the trucks were small, the bridge that they were gonna go over the spillway was only a single lane or something and a few other things.

But John argued – because I argued that H. J. O'Connell did the bulk excavation, so they were part of IKC-ONE. They came down from Wabush with all their big iron – their big equipment, and they did the bulk excavation very successfully. They were the main contracting partner in that IKC-ONE joint venture. And all the big rocks that came out of that, like 25,000 truckloads or whatever it was, which would then be used to bar off the Churchill River – that's how you bar it off: you put one big row of rocks across –

**MS. MUZYCHKA:** Okay, just kind of keep focused on the point that you were making, which was Mr. Mulcahy –

**MR. POWER:** Okay. So –

**MS. MUZYCHKA:** – had recommended –

**MR. POWER:** Yeah, right. So I argued, and I was told that the H. J. O'Connell bid put the river closure in jeopardy –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – whereas the Barnard bid, I was told, they had the confidence that that wouldn't take place. And regarding the cost side, apparently, I was told that H. J. O'Connell had a fixed price bid or hard dollar, I think is the term everyone was using, but the Barnard proposal had X number of person-hours, and that would need to increase by 40 per cent or something – from what I recall, 40 or something like that – before you'd get up to the cost of – before you'd exceed the cost of the H. J. O'Connell proposal.

But the driving factor for me, personally, for agreeing – well, I agreed, because the evaluation team presented their findings, and they'd been at it for months and months, but the driving factor for me that gave me comfort was the fact that I was told that with H. J. O'Connell, the river closure was in jeopardy and you could lose a year on the schedule, whereas with Barnard-Pennecon that wasn't the case.

So I was comfortable with their decision, I just wanted them to go back and do it on the approved evaluation sheets so that, you know, we're in line with our process.

**MS. MUZYCHKA:** So they had made an evaluation based on a new set of criteria, is that what you're saying? And then you said: No, you need to go back and do the evaluation based on –

**MR. POWER:** So I think –

**MS. MUZYCHKA:** – the original –

**MR. POWER:** – I think –

**MS. MUZYCHKA:** – criteria.

**MR. POWER:** – I think even with the new set of criteria, some of the evaluation sheets from the original proposal were used. I think they changed the weightings or something. I think Ken McClintock might've spoke to this. But I did go back and say: Yes, score on the original evaluation plan that we had signed off on.

**MS. MUZYCHKA:** Yes, Mr. McClintock –

**MR. POWER:** Which – which they did.

**MS. MUZYCHKA:** – Mr. McClintock testified that you declined his proposal and asked him to stick with the original –

**MR. POWER:** Yeah, I challenged –

**MS. MUZYCHKA:** – scoring.

**MR. POWER:** – the proposal because, you know, we're audited to death and everything needs to be in accordance with our procedures.

**MS. MUZYCHKA:** Well, it would be a challenge, I guess, to defend a bid process that changed halfway through the evaluation process.

**MR. POWER:** Yeah, in an audit and stuff like that, yeah. Even though what they did was sound and it was good thinking, but, you know, we had processes and we're audited to death, like I said. And I just said: Go back and do it and – do it and – using the original bid evaluation plan. Which they did, they all did together. And the thing went around for signature and Barnard-Pennecon was the preferred bidder.

**MS. MUZYCHKA:** Were you aware that Mr. McClintock and his team had not crunched the numbers or filled out the score sheets for the original bid scoring process?

**MR. POWER:** So I'm not sure of the detail, I can't answer that question.

**MS. MUZYCHKA:** That didn't come to your scrutiny, or come for your scrutiny?

**MR. POWER:** It may have at the time, but I don't remember. I thought there were some sheets, there was only certain sheets that changed, or maybe it was the same sheets but the weighting for the, you know, different elements on that sheet might have changed, I really don't know.

**MS. MUZYCHKA:** Okay, so –

**MR. POWER:** All I know is go – I said: Go back and score it on the original evaluation plan.

**MS. MUZYCHKA:** But was that after they had made their recommendation to you and said Barnard-Pennecon –

**MR. POWER:** It was during this presentation.

**MS. MUZYCHKA:** Right, but then they had told you that they preferred, or they had come up with a different process to evaluate it, and you said no, that you wanted them to go back and re-evaluate the bids, using the original process. I'm just trying to establish the timeline here.

**MR. POWER:** Yeah, so this was presented on July 24. So, during this presentation, or when this presentation was over –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – I said: Thank you very much, it all looks great, but you have to score it on using the original evaluation plan. And they went away and did that, I think –

**MS. MUZYCHKA:** 'Cause if you –

**MR. POWER:** – the same –

**MS. MUZYCHKA:** – look at –

**MR. POWER:** – day.

**MS. MUZYCHKA:** – if you look at page 15 of this presentation in July –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – they say Barnard-Pennecon is recommended by bid evaluation team, and then defining factors, schedule assurance, solid project team execution plan, robust design.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** After you saw that presentation, you said go back and score this using –?

**MR. POWER:** After I saw this presentation that I'm looking at right here –

**MS. MUZYCHKA:** Yes.

**MR. POWER:** – yeah.

**MS. MUZYCHKA:** So –

**MR. POWER:** Yeah, that was the recommendation, but I just said: Go back and score it on the original evaluation plan.

**MS. MUZYCHKA:** And it still turned out to be the same.

**MR. POWER:** It turned out that Barnard-Pennecon were the preferred bidder, yes. Yeah, preferred bidder, yes. And then the thing got circulated for signatures and it got signed off.

**MS. MUZYCHKA:** And I guess there was a potential that going back to the original plan could've resulted in H. J. O'Connell coming out ahead.

**MR. POWER:** I guess.

**MS. MUZYCHKA:** That wasn't –

**MR. POWER:** But I wasn't comfortable with what I was hearing with respect to O'Connell's bid. I was being told by John Mulcahy – he was our expert, our construction expert – that the schedule was in jeopardy because of their execution plan.

**MS. MUZYCHKA:** Okay, but as a senior management person –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – who's reviewing the bid evaluation process and, you know, you'd ensure that Nalcor's policies are complied with, would you be concerned if the recommendation had been made before the scoring had been completed?

**MR. POWER:** So, it was scored using this different method that they believed was a – represented better the important aspects to be looked at. So, in here –

**MR. SIMMONS:** Commissioner, if I might, I may not recall this correctly, but I don't recall from Mr. McClintock's evidence there being any conclusion that scoring hadn't been done before July 24. And when I look at page 23 of the presentation, there's scoring on it.

**THE COMMISSIONER:** Yeah, I think she's talking about the re-scoring but –



**MR. SIMMONS:** And I think there might be – I’m confused there as to whether –

**THE COMMISSIONER:** Right.

**MR. SIMMONS:** – that’s a reference to the re-scoring or the original scoring. And I wouldn’t want to leave it as being misunderstood that there hadn’t been any scoring done before this presentation.

**THE COMMISSIONER:** So my understanding, my recollection is, is that with – what they came in with, at this particular presentation, was a – was with the recommendation that VP get the contract, and it was based upon the revised criteria that had been prepared by Mr. McClintock.

My understanding from Mr. McClintock’s evidence, and now I am listening to Mr. Power, is, is that it was sent back to be re-scored from the original criteria. And the question is whether there was actually a re-scoring that was done using the score sheets and things of that nature. And to be frank, I can’t – I’d have to go back and look to see what Mr. McClintock said on that. I can’t recall specifically what he did say about that. I do know that there was some disagreement with regards to some of the costing that was done by Mr. Mulcahy, for the purposes of rescoring, but other than that, I can’t really say too much more.

**MR. SIMMONS:** And, Commissioner, I think were in agreement that the principal point being that there had been scoring done and score sheets prepared before this presentation.

**THE COMMISSIONER:** Yes, that’s my understanding. Am I right, Ms. Muzychka? But I understood that the original – when – it’s not the original, the revised criteria that had been basically processed by Mr. McClintock, that when they came in with this, on July 24, with this presentation, they were making a recommendation based upon that revised criteria where they had scored the two companies.

**MS. MUZYCHKA:** That’s my understanding.

**THE COMMISSIONER:** Right.

**MS. MUZYCHKA:** And that was rejected by Mr. Power. And then they were told to –

**THE COMMISSIONER:** Re-score.

**MS. MUZYCHKA:** – re-score, using the original criteria –

**THE COMMISSIONER:** Using the original criteria.

**MS. MUZYCHKA:** Right.

**THE COMMISSIONER:** Correct. So, I think we are all saying the same thing.

**MS. MUZYCHKA:** I think we are on the same page. And if you look at page 23, the initial evaluation summary, it’s dated December 2014, which is not the revised evaluation process.

**THE COMMISSIONER:** I can see what you are saying.

**UNIDENTIFIED MALE SPEAKER:**  
(Inaudible.)

**MS. MUZYCHKA:** I’m just trying to find out, you know, if Mr. Power was aware of the timelines and the sequence in which things happened because it appears that this rescoring may not have occurred until after the award – or that the decision was made to award it to Barnard Pennecon.

**MR. POWER:** So, I don’t – so I don’t think there was any decision made, there was a recommendation made.

**MS. MUZYCHKA:** So, if we go to P-01870, which is in the PMT binder number 3 at tab 100, page 8. At the top of the page, under 8.2 Finalization, it says: “On July 24, **Barnard-Pennecon JV** was recommended during a meeting with senior management. After this meeting work proceeded to finalize all documents and gain required approvals.”

So, in terms of finalizing the documents, a meeting was held on the 24th and that’s the presentation we just looked at and then there’s a direction to go back and re-score using the original bid evaluation criteria. You know, it

would seem that the wording of that particular document might have indicated that the re-evaluation took place after the recommendation was accepted by management.

**MR. POWER:** I don't know. I can't answer that.

**MS. MUZYCHKA:** Okay.

And I understand then – if you go back up to the top of the first page where the signatures are – that you would've signed off on that in August – August 14, 2015.

**MR. POWER:** Yeah. So it looks like Jason signed it for me. So maybe I wasn't there that day –

**MS. MUZYCHKA:** Okay.

**MR. POWER:** – or something.

**MS. MUZYCHKA:** All right. Okay.

Now, just going back to the point you made earlier that Mr. Mulcahy had convinced you that the H. J. O'Connell bid proposal would not meet the schedule, were you aware that, in their bid itself, that their plan did provide for the meeting of the required milestone?

**MR. POWER:** So I'm not aware of those details. All I know is what I was told in this presentation.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** That's why we were – that's why we had this evaluation team and they're all very expensive people, and that's what they did. And they presented to management – me – I'm very busy – and they make this presentation and we accept. You know, we challenge what they do and we accept their recommendations and we carry on.

**MS. MUZYCHKA:** So would you not have challenged Mr. Mulcahy on his comment that H. J. O'Connell might not – or was –?

**MR. POWER:** I did.

**MS. MUZYCHKA:** Okay. And were you satisfied that it was a sound basis on which to reject the H. J. O'Connell –?

**MR. POWER:** So based on the information that had been provided to them, and I think they had – you know, there was discussions going on throughout from – throughout the spring and summer of 2014 with both of these bidders and, you know, that's what was presented to me. O'Connell's – the O'Connell execution plan doesn't provide the certainty that they're going to achieve river closure. And if they don't achieve river closure you'll lose a year on the schedule. That's what I was told.

**MS. MUZYCHKA:** And that was a fairly significant point –

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** – in favour of Barnard-Pennecon for you?

**MR. POWER:** Yeah. Well, that was – for me, personally, that was probably the biggest point.

**MS. MUZYCHKA:** Okay.

Were you aware of Tony Scott, who was brought in to comment specifically on the schedule, that he thought the float may have been built into the H. J. O'Connell schedule?

**MR. POWER:** No, I – you know, I'm only hearing all that stuff in the lead up after – and I'm only hearing all those types of things after that Grant Thornton came out with the report.

**MS. MUZYCHKA:** So did you get that level of detail from the bid evaluation team?

**MR. POWER:** Probably not.

**MS. MUZYCHKA:** And so what was your role then? Were you making a decision –

**MR. POWER:** My role was –

**MS. MUZYCHKA:** – or giving informed –?

**MR. POWER:** – was to get presented to and listen to the bid evaluation team, who are very experienced people, who we're paying a lot of

money to, and to challenge them, which I did. And then they were confident in their decision and their recommendation to award it to Barnard-Pennecon, so I agreed.

**MS. MUZYCHKA:** So your approval, essentially, was basically rubber-stamping the evaluation team?

**MR. POWER:** Yeah, same as all the other contracts –

**MS. MUZYCHKA:** You didn't make an independent evaluation yourself –

**MR. POWER:** No.

**MS. MUZYCHKA:** – or challenge –

**MR. POWER:** No.

**MS. MUZYCHKA:** – other than to question –

**MR. POWER:** No, that's why we have all these people on the payroll, that's what they do.

**MS. MUZYCHKA:** Okay.

So you had indicated in your interviews that you had blown the budget on CH0009?

**MR. POWER:** Yeah. So, you know, it got built to meet the schedule we have, the quality is excellent, but the cost, you know, went over considerably. I don't know what the final numbers are, but yes.

**MS. MUZYCHKA:** So you sacrificed cost for schedule, essentially.

**MR. POWER:** Well, no, when this was presented to me, Barnard had an execution plan with X number of person-hours to build this thing, and –

**MS. MUZYCHKA:** But the risk was on Nalcor –

**MR. POWER:** Yeah, the labour risk, yeah. But those number of person-hours would've had to increase by 40 per cent to equal the cost of the O'Connell labour, or something like that. But yeah –

**MS. MUZYCHKA:** Were you –

**MR. POWER:** But yeah, the risk for the labour was on Nalcor, and that contributed to the cost –

**MS. MUZYCHKA:** Overrun.

**MR. POWER:** As did the cofferdam issue and, you know, things like that.

**MS. MUZYCHKA:** Do you have any expertise or experience with RCC concrete yourself?

**MR. POWER:** I do now.

**MS. MUZYCHKA:** You do now, but back then?

**MR. POWER:** No, no –

**MS. MUZYCHKA:** So this was a –

**MR. POWER:** – there had been very few built in Canada. But, you know, the contractors did. Tim Dolen did, who I hired on as the site RCC construction engineer.

**MS. MUZYCHKA:** Right. But that's after you had made the decision to go with Barnard-Pennecon?

**MR. POWER:** Well, I would've had him no matter who got the contract to build it.

**MS. MUZYCHKA:** Now, I understand that H. J. O'Connell had proposed a split-level placement, which is a little different, meaning they could've reached – able to reduce the surface area they were working on and thereby meet milestones. Were you aware of that –?

**MR. POWER:** All right, so the – yeah, so the Barnard – Barnard built the dam using this slope-layer method, they called it, which was – which is espoused by Brian Forbes; he's the father of the slope-layer method in this RCC world, which is a very close-knit community. Dragados proposed the split-level method, but it – basically, the RCC comes up in horizontal layers.

Now, in my opinion, based on the weather we had in 2017 – we had a very wet year, a very wet construction year, and up there the season is

very short. With the slope-layer method that was actually used to build it, you're coming up like this with layers of RCC. The area is relatively small. So if it starts raining and you stop and the rain screws up that layer, it's a relatively small layer to fix. Get the water off and green cut it, and stuff like that.

With the split-level method, where half of the dam is coming up at a time, with the weather we had, if it started pouring rain and you had to deal with that big surface, there would be a lot more impact, in my view, of the weather – negative weather impact building the dam with this split-layer method. Now, they may have overcome that. I can't speak for the contractor.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But, yeah, it was just a different methodology. One used a slope-layer; one used a horizontal coming up half the dam at a time.

**MS. MUZYCHKA:** Okay. But I guess either method may have impacted the ability of meeting the milestone. One method may have been a little more efficient than the other.

**MR. POWER:** Yeah, so from a –

**MS. MUZYCHKA:** I don't know if that was factored into the evaluation process.

**MR. POWER:** I guess that was looked at when the thing was evaluated.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But both of those constructors, Barnard and Dragados, were competent RCC dam builders.

**MS. MUZYCHKA:** And we heard from Mr. McClintock that a very important factor in the recommendation for Barnard was the team was better and that they had more experience.

**MR. POWER:** Yes, that was in the presentation.

**MS. MUZYCHKA:** Yeah.

Now, were you aware that Barnard-Pennecon had proposed alternates for at least two of the key positions –

**MR. POWER:** No.

**MS. MUZYCHKA:** – before the recommendation was made, and so those alternates were not evaluated?

**MR. POWER:** No, I can't remember – you know, if I was aware, I can't remember it now.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** I don't think I was aware.

**MS. MUZYCHKA:** Did you have any issues with the Barnard-Pennecon team during the execution of CH0009?

**MR. POWER:** Yeah. So when the CH0009 – when the Barnard-Pennecon execution plan was submitted – this was either when we were still in the LNTP period or the contract had been awarded, I'm not quite sure. Yeah, so I examined the org chart in detail and I challenged our team with respect to some of the individuals that were on that Barnard-Pennecon org chart. And also, I challenged our team with some of the positions – some of the positions that weren't on that chart, like dedicated crusher superintendent and dedicated concrete plant, I think it was.

So, yeah, so I did challenge it and meetings were held with Barnard senior management. I was in one or two of those. And, at the end of the day, eventually the – and I challenged our team – and eventually the organization that they put in place was good to – for the scope of work that they did.

**MS. MUZYCHKA:** Okay.

Well, let's have a look at P-03729. It's in Ron Power binder 2, tab 87. So this is an email from Paul Harrington to you, dated October 21, 2015.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** It says: "Thanks for the marked up chart and your reservations regarding the experience of the team put forward. Our

dilemma is we are very near the end of the LNTP and we are committed with the JV selected and we have run out of leverage with the JV and have no choice but to sign the contract. I do appreciate the comments you have provided and without delaying the contract execution any further I am asking you and those copied here how we can protect ourselves.”

That’s in the middle of the first paragraph of your email.

**MR. POWER:** Yeah. So did you want me to comment on that or ...?

**MS. MUZYCHKA:** Yeah.

**MR. POWER:** Yeah, so I guess I had looked at the –

**MS. MUZYCHKA:** Sounds like you were very concerned about the –

**MR. POWER:** Well, I was challenging the team.

**MS. MUZYCHKA:** The team.

**MR. POWER:** I always challenge hard. And, you know, and the Astaldi contract, as we know, some of the key people never showed up and that was a concern. And I had challenged the – our evaluation team during this award recommendation process that we just went through, and I wanted to make sure that we – that Barnard-Pennecon were putting forward a team that were going to build this thing. So yeah, I did challenge it.

**MS. MUZYCHKA:** Now, let’s go to P-03728, which is your binder, tab 20 – or sorry, tab 86, binder 2 – where you are, just one document earlier, tab 86.

And that’s an email from you to Scott O’Brien and other members of the project management team.

**MR. POWER:** Yeah.

**MS. MUZYCHKA:** And you’re saying: “I have serious concerns with the organization that is proposed. I believe it needs to be strengthened

considerably. I have reviewed with Jason, and he concurs with my views.”

And then you note also that the chart is dominated by Pennecon employees versus Barnard.

**MR. POWER:** Yeah. So that’s when I challenged the chart that got submitted in their first iteration of their execution plan.

**MS. MUZYCHKA:** It sounds like you were – Barnard-Pennecon had put forward a team that was stronger than what ultimately was presented –

**MR. POWER:** So I’m not sure at that time that I was familiar with what Barnard-Pennecon put ahead, but I just did challenge this organization here. And after this meetings were held with Barnard-Pennecon, and in that meeting some of the positions were explained why they’re adequate as they are and also other positions and people were added to bolster up this organization. So that –

**MS. MUZYCHKA:** You use the terms adequate and bolstering up. But, you know, you make a decision to choose a contractor based on the strength of their team –

**MR. POWER:** Right.

**MS. MUZYCHKA:** – and one of your team evaluation members says that was a key component.

**MR. POWER:** Right.

**MS. MUZYCHKA:** But it doesn’t seem that once the contract is awarded that there’s any mechanism in place to ensure that the people who are put forward with the experience and knowledge on which you base your decision to accept is – becomes a factor afterwards –

**MR. POWER:** Well, it did –

**MS. MUZYCHKA:** – and then you sort of say: Well, okay, they’ll do.

**MR. POWER:** No, I became defector, so I challenged the team and eventually they added some people to meet the expectation. So this

next exhibit – the exhibit that’s still on the screen, if you scroll up to the top of that, you’ll see where we came up with an action plan and so on, and then there’s several letters from Barnard in the system that over the next while that eventually they got a very strong organization up on that site and successfully – except for the cost challenges, successfully built that scope of work.

**MS. MUZYCHKA:** So given that experience and we talked about a similar experience with Astaldi, in that the team that was evaluated as part of the bid process wasn’t the team that ultimately came to site to execute the project or the contract. Wouldn’t you say that given the risk of changes in the contractor’s execution team that maybe it’s not a great idea to put too much weight on that factor when awarding or choosing the applicable contractor?

I mean, it’s – the people can change throughout a project.

**MR. POWER:** But eventually we did get good people here from Barnard, you know, this –

**MS. MUZYCHKA:** But this was not an insignificant project award. This was –

**MR. POWER:** No, that’s why I challenged the team –

**MS. MUZYCHKA:** – fairly large and so was Astaldi, but yet –

**MR. POWER:** Pardon?

**MS. MUZYCHKA:** – in both cases, the project team that was put forth was substituted – bait and switch is sort of what I think we heard from Mr. McClintock, or perhaps it was somebody else. I may have that recalled incorrectly. But it’s certainly, you know, it’s a recurrent theme on these big projects.

Just wondering if that, you know, had occurred to you or the team as to perhaps we shouldn’t put so much weight on these individuals.

**MR. POWER:** That’s an argument, for sure.

But, you know, the bid evaluation plan, what – is what it was, and it was scored and Barnard

scored highest. And what I did then was challenge the organization when this came in – the execution plan, to make sure the strength was there that we needed, and at the end of the day, it was.

**MS. MUZYCHKA:** Okay.

We heard from Mr. McClintock’s testimony that Mr. O’Brien had requested that there be some new wording added to the CH0009 award recommendation document on August 12, 2015, which was two days after some of the review signatures had been placed on the document on August 10.

Were you aware that that had happened?

**MR. POWER:** No.

**MS. MUZYCHKA:** Would I be correct in assuming that that wouldn’t be in line with Nalcor’s policies and procedures with respect to bid evaluation review?

**MR. POWER:** So I don’t think the thing had been signed off. I just saw the signatures a minute ago, which said August 14.

**MS. MUZYCHKA:** Mm-hmm.

**MR. POWER:** So I don’t – you know, maybe Scott wanted a clarification or something, for something to be written out more clearly. I really can’t comment on that.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** You’d have to ask him.

**MS. MUZYCHKA:** All right.

I want to direct your attention now to P-03259, which is in your binder number 1 at tab 21.

And this is an email from Leonard Knox, recently sent, May 2, 2019, to Barry Learmonth. And I don’t know if you’ve had a chance to read that before you came here.

**MR. POWER:** So I’ve seen this in – I think when Ken McClintock was here on the stand or Jason or somebody.

**MS. MUZYCHKA:** Do you – well, I mean, essentially Mr. Knox describes a situation in which Jason Kean suggested to him that the H. J. O’Connell – or that if H. J. O’Connell continue their claims in package CH0006 there would be a negative impact on H. J. O’C getting other work on the site.

Do you have any knowledge of this meeting?  
Did you have any knowledge prior to seeing this email?

**MR. POWER:** So I don’t have any knowledge of this meeting. I do have knowledge of that sentiment. I know Leonard had been in the office a few times. I think they were bidding on the work up in Soldiers Pond at the time – H. J. O’Connell was.

But no, I don’t have any knowledge of this particular meeting, no.

**MS. MUZYCHKA:** Were you ever aware that H. J. O’Connell’s outstanding claims was a factor in the consideration of their bid?

**MR. POWER:** No, I’m not aware that it was ever a factor. But I know, you know, there was a sentiment that – well, everyone knew there was a claim in on the bulk excavation.

**MS. MUZYCHKA:** Yes, and you’ve indicated throughout your testimony, you know, issues with respect to claims and contractors (inaudible) claims, and you say it, you know, not with a positive tone but with a negative sense.

**MR. POWER:** Well, yeah, so –

**MS. MUZYCHKA:** So, you know, the fact that H. J. O’Connell had a claim with the bulk excavation contract, would that have been something unfavourable in terms of evaluating two companies that had two fairly similar bids? Could that have been a tipping factor?

**MR. POWER:** I don’t remember that being a factor, no.

**MS. MUZYCHKA:** But I’m asking you: Could it have been? Is it something that, if you’re evaluating bids and you know that one contractor has certain claims against the project –?

**MR. POWER:** If a contractor has a propensity to claim, say? I don’t know, I really can’t answer that. I don’t think so.

**MS. MUZYCHKA:** It would be a concern?

**MR. POWER:** How you manage – well, you manage the – that’s why we’re so rigorous in managing our contracts and our change process and all this kind of stuff. And that’s why we got 3,000 letters on the Astaldi contract, over half of which – well over half of which, by the way, came from Astaldi, and we’ve responded to those. That’s why all that stuff exists, so that you’re in a position to manage these contracts commercially. And it’s normal – normal business.

So, you know, when Jason had this conversation here with Leonard, you know, I don’t think the fact that IKC-ONE had a claim in for bulk excavation would have impacted O’Connell’s chances of – or, you know, their bid for that work in Soldiers Pond. But I guess Jason talked about it because, you know, we’re trying to avoid claims.

**MS. MUZYCHKA:** Right. So you think that Jason had this conversation with Len when you said Len was in to have discussions with you.

**MR. POWER:** No.

**MS. MUZYCHKA:** You’re aware of the sentiment, is what you said, I believe.

**MR. POWER:** Yeah. No, aware of the sentiment. I’m aware of the sentiment.

**MS. MUZYCHKA:** The sentiment that Len Knox felt that he wouldn’t be awarded for the contracts because of his outstanding claim?

**MR. POWER:** No, the sentiment that we were aware that there was a claim and I – from IKC-ONE and we didn’t want claims for, you know, for the work in general.

**MS. MUZYCHKA:** Though you don’t disagree with what Mr. Knox writes there.

**MR. POWER:** So I can’t say that’s true or not, what he’s saying there. If Jason – I can’t say if Jason said to him that the – that the IKC-ONE

claim would have a negative impact on them getting the work for the Soldiers Pond job. I can't say that.

**MS. MUZYCHKA:** No.

**MR. POWER:** Now, did Jason talk about that when he was here?

**MS. MUZYCHKA:** We've been over that. I'm just asking you what your –

**MR. POWER:** Okay. I really can't talk to it.

**MS. MUZYCHKA:** Okay. But you did say, you know, you agreed with the sentiment and the claims –

**MR. POWER:** I agree that there –

**MS. MUZYCHKA:** – were something –

**MR. POWER:** I agree that there was some discussion about, you know, IKC-ONE having claims against us, but whether that impacted any work that H. J. O'Connell were pursuing, I don't know.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** I know when we went to Plan B the – for the Astaldi replacement contract, should those agreements not be put in place, I was personally a big promoter of H. J. O'Connell and I met with them and – 'cause I wanted them, you know, in the mix, which they were. It ended up – eventually, Pennecon were the successful proponent for that Plan B work, but I was always a big supporter of H. J. O'Connell, personally.

**MS. MUZYCHKA:** Okay. All right.

I'm just going to move to the start of the project and some planning concerns.

One of the ones that appeared to be of concern was the availability of beds in the camp to meet the demand for the workers that were on site. When the initial contractors came on board, there was supposed to be a 1,500-person camp, 1,500-bed camp.

**MR. POWER:** Yeah, so the plan was a 1,500-bed camp. So when IKC – did you want me to talk or did you want –?

**MS. MUZYCHKA:** Yes, no, go ahead –

**MR. POWER:** Okay.

**MS. MUZYCHKA:** – because the IKC-ONE was first on the scene.

**MR. POWER:** Yeah, so when the bulk excavation started the camp wasn't ready for a bunch of reasons, which I don't – I'm not familiar with all the reasons, but I know the camp wasn't ready.

**MS. MUZYCHKA:** Which would've delayed bringing the workers on site –

**MR. POWER:** Well, it meant –

**MS. MUZYCHKA:** – and the start of –

**MR. POWER:** – it meant the workers had to reside in Goose Bay and drive in. So there was driving back and forth. We did get a – we found a camp in Manitoba from the Wuskwatim hydro project. So we bought it, I think, from Manitoba Hydro, and we trucked it down and put it together and we had it operable sometime in the spring of 2013, I believe.

**MS. MUZYCHKA:** So you also brought in one from Long Harbour.

**MR. POWER:** Yeah, so – all right. So we had the camp from Manitoba Hydro, the starter camp, which I think was 280 beds or something. Then we built a 1,500-person camp. And then later we built another camp, which I think was 400 or 480 beds, which is the one from Long Harbour that we refurbished.

And the reason we had to do that – the reason we had the 1,500 in the first place is because when all the estimate work was done, and the estimates were done of how many people would be required for all the contracts to build the site, the 1,500-person camp was adequate. And even when we got Astaldi's proposal, because they were using the ICS structure, and they'd have the same amount of people all year long, so there wouldn't be these big fluctuations, high in



the summer, low in the winter, because it was level all the way along – the staffing was level. So using Astaldi's projections of camp occupancy, which I think was 900 people, our 1,500-person camp was still adequate.

So that's the 1,500 camp story. Then, because that camp was delayed and the bulk excavation was started, we got this camp from Manitoba, the starter camp, to put the IKC-ONE people in to do the bulk excavation. And then eventually we had to get the other camp from Long Harbour, because when the ICS for Astaldi never worked out, and then we got into a different staffing plan, so you're really up in the summer and down in the winter. So when we were up for those seven or eight – six or seven months a year, we needed more than the 1,500-person camp, so we got that other camp in place.

**MS. MUZYCHKA:** But I understand there was another 700 beds that were added to the –

**MR. POWER:** Yeah, so it was –

**MS. MUZYCHKA:** – the camp –

**MR. POWER:** – 280 and I think 480.

**MS. MUZYCHKA:** – 400-and-something. So, I mean –

**MR. POWER:** Something like that, yeah.

**MS. MUZYCHKA:** – that's basically 50 per cent more than –

**MR. POWER:** That's right, but it's –

**MS. MUZYCHKA:** – what you had budgeted for.

**MR. POWER:** – because of Astaldi's change in execution from an ICS with a level workforce to a seasonal workforce that went up and came down.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So Astaldi –

**MS. MUZYCHKA:** But the change didn't happen until later, so –

**MR. POWER:** Which change?

**MS. MUZYCHKA:** The change from Astaldi's approach using the ICS to –

**MR. POWER:** Right, so that's why –

**MS. MUZYCHKA:** – (inaudible) –

**MR. POWER:** – this other camp came later.

**MS. MUZYCHKA:** Right. But I understand that even at the start, the 1,500-person camp wasn't there and that there wasn't sufficient beds for the workers right from the get-go when IKC-ONE started.

**MR. POWER:** No, that's right. The 1,500-person camp was delayed for whatever reasons.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So there was no camp. So we got the smaller camp down from Manitoba Hydro, the starter camp –

**MS. MUZYCHKA:** Mmm.

**MR. POWER:** – and we used – we housed the IKC-ONE people in that until the 1,500-person camp got built.

**MS. MUZYCHKA:** Okay.

And then you say later that the – at the peak you were still short –

**MR. POWER:** Yes, at peak, because of –

**MS. MUZYCHKA:** – and that's why you needed –

**MR. POWER:** – Astaldi's different staffing now because there's no ICS anymore. So it's a lot of people in the summer; we had to build another camp which we use for one season.

**MS. MUZYCHKA:** Okay.

So was this something that could've been foreseen and been part of the planning stage?

**MR. POWER:** Well, we never foresaw that the ICS solution wouldn't work out. So the answer, I guess, is no.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But now it's not – I will say, it's not uncommon on construction projects to run out of camp space. I mean, from what I know, it happens all the time.

**MS. MUZYCHKA:** That's was a – it's basically an underestimation of the workforce that you're gonna have to accommodate.

**MR. POWER:** Well, it's not knowing that the worker – the approach will change. Well, Astaldi's approach changed from an ICS with a level, year-round even workforce to a seasonal workforce.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So that was the change.

**MS. MUZYCHKA:** But these changes don't happen overnight, surely. They're things that become obvious and then steps would have to be taken to ensure –

**MR. POWER:** So steps – yeah, so steps were taken when it became obvious that the ICS wasn't gonna work and Astaldi went to a seasonal workforce. Then we took the steps of getting another camp. We refurbished it in Argentina. I had – I project managed that particular file as well, by the way. And we got that camp up and running in record time. I think it was four months from beginning to end.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** So in the 2016 construction season, I believe – which was the big year for Astaldi – we never ran out of camp space.

**MS. MUZYCHKA:** I also understand that there were delays in terms of getting construction power to the site.

**MR. POWER:** So we brought construction power down from Churchill Falls, so we – so there's a power line that went from Churchill Falls to Goose Bay. So we tapped off that. So up

at Churchill Falls itself, work had to be done, transformers and stuff put in. Now, I wasn't – Darren DeBourke was looking after that.

And down at the Muskrat Falls area itself, there was a substation put in with transformers and switchgear and all that. And we brought the power then across the river to be – and we stopped it at various transformers on wooden poles, and then the contractors would come and take it from there and bring it down to their, you know, eHouses – they call their electrical houses, trailers – and then feed it to heaters and lights and all that kind of stuff.

**MS. MUZYCHKA:** Now, I understand that the permanent power for IKC-ONE was supposed to be done by February 1, 2013, but it didn't happen 'til sometime after, and I also read –

**MR. POWER:** Yeah, that could be, I don't remember.

**MS. MUZYCHKA:** – in the Ibbs report that Astaldi was working off generators and oil-fired generators, and that the cost associated was quite significant.

**MR. POWER:** So one of the challenges, of course – so we bring the – we brought the construction power down and got it to transformers. But then to get it from there to actually being used on the site, there's a lot of infrastructure needs to put in place that requires a lot of permits and inspection by the provincial authorities to make sure it's all safe. So Astaldi were struggling with that scope of work. So that's one of the working groups that I talked about earlier. So we had a very experienced electrical team of people on site and we worked hand in hand with Astaldi to progress that.

But, you know – was it perfect? No. So we ended up using a lot of oil-fired heat because – in particular in the winter of 2014 and 2015 – there was a lot of heaters on the go. But, you know, as best we could and as best as Astaldi could, we eventually, you know, electrified as many areas as we could.

**MS. MUZYCHKA:** Yeah.

I understand from the Ibbs report that permanent power wasn't provided to Astaldi until 2015. Does that sound right to you?

**MR. POWER:** So I'm not sure if that's correct or not.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** Right. Now, Ibbs, they were only on site – they weren't on site all that long. So, you know, they were only there like a week or something.

**MS. MUZYCHKA:** Well, it's the year, 2015. They came on site – or a year and a bit – in 2013.

**MR. POWER:** No they – Ibbs wasn't on site. Ibbs –

**MS. MUZYCHKA:** Not Ibbs. I mean, Astaldi was on site since late 2013. But according to the Ibbs report, it was – they didn't get permanent power until 2015.

**MR. POWER:** So that might've been permanent power hooked up to certain areas. The permanent power supply itself from Churchill Falls across the river to the transformers was certainly a lot earlier than that.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But how – when it got from the transformers to where it was needed on the site, I don't remember. But, you know –

**MS. MUZYCHKA:** They had the sense that there was some delay and that there was, you know, an issue with that. And again, you know, one would think is this a result of poor planning and execution on the part of the management team or –

**MR. POWER:** Well, it could be –

**MS. MUZYCHKA:** – it didn't matter in the sense that they were using oil-fired generators at greater expense, you know, I mean, these things ultimately would contribute –

**MR. POWER:** Yeah, so it could've been poor planning by Astaldi. I don't remember.

**MS. MUZYCHKA:** Poor planning on Astaldi, not on the management team?

**MR. POWER:** I don't remember.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But, you know, we – that information exists, I guess is what I'm saying. But I can't remember that detail.

**MS. MUZYCHKA:** All right. Okay.

And on the theme of productivity, we've heard some evidence that site work wasn't always proceeding very efficiently, and certainly in terms of the labour, we talked about that in terms of the Ibbs report. But there was also issues during certain parts of the construction phase that the labour force, because of where they were located and where the break rooms were located that, you know, up to 45 minutes could be used for a 15-minute break. And if you multiply that by however many employees are on site, times however many days, it results in quite a substantial loss of labour productivity.

Were you aware of that?

**MR. POWER:** So there was a lot of focus on labour productivity and break times and start times and leave times. Some contractors were better than others, but it also depended on the type of work that was being done.

So, as I indicated, I think, in the interview with either yourself or Ms. O'Brien, so when we were constructing the spillway, for example, and, you know, you had 18 or 20 terrace of scaffold and we were working up on top of the spillway – and this was in the winter and summer of 2015. So a worker who is working up there when break time comes, he got to go down all those scaffolds, then he walks across the intake approach channel, up over the hill, up to where the trailer is. So that might be – I don't know – 10 minutes or certainly five to seven minutes, or something, to get there and then I think under the terms of the union agreement, they got 15 minutes in the lunch trailer itself having lunch.

**MS. MUZYCHKA:** Right.

**MR. POWER:** And then if they left right away to go back, they got to walk down across the spillway approach channel and up that terrace of scaffolding again. So I'm getting old now. When I used to walk up a terrace of scaffolding I would have to stop twice to catch my breath to get to the top.

**MS. MUZYCHKA:** So was this an impact for productivity that was recognized?

**MR. POWER:** Well, that impacted the number of hours per day that a worker could be on the tools. Now, that was the extreme case, 'cause we're right up in the air. Some contractors, like Cahill-Ganotec, they're in the powerhouse, in and out, so they're working inside in an enclosure and it's much better.

But, you know, there were issues and I think some – certain groups of workers would be more diligent in skeddaddling out and skeddaddling back, versus others. I know there were issues with – some people would leave early and things like that. And, you know, our HR department with the contractors – or the LR department – sorry – the Labour Relations department would do break audits and leave audits, and they record how many people left, when – and, you know, some people leave at 5 o'clock, and some people leave at quarter to 5 to come up out of the powerhouse and some leave a bit later –

**MS. MUZYCHKA:** So this was looked at by Nalcor?

**MR. POWER:** Yeah, there was extensive looking at – productivity was always a big topic –

**MS. MUZYCHKA:** Right.

**MR. POWER:** – and there were a lot of productivity initiatives, some were successful and some maybe not – were not so successful.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** It was certainly an area of focus. And some contractors were better than others, I'll say that.

**MS. MUZYCHKA:** All right.

It has been described to us that people were often afraid to speak up or talk back, in particular, to certain Nalcor people or – at the Muskrat Falls site. That they were afraid they could end up losing their job if they had raised concerns or complaints –

**MR. POWER:** So are you talking about construction workers or ...?

**MS. MUZYCHKA:** Construction workers and there is also issue with respect to people in management on the part of Astaldi (inaudible) –

**MR. POWER:** Okay, so I never heard that.

**MS. MUZYCHKA:** You didn't hear that –

**MR. POWER:** No.

**MS. MUZYCHKA:** – about the workers themselves?

**MR. POWER:** No.

**MS. MUZYCHKA:** No.

And were you aware that there was a big concern raised by Don Delarosbil with respect to morale on site because of Nalcor's ability to ban or revoke access privileges to the Muskrat Falls site if they felt there was some issue with the individual?

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** We heard – just before you answer that.

**MR. POWER:** Okay.

**MS. MUZYCHKA:** We did hear from him a number of examples that his top safety manager was – his access was cancelled, and then two other individuals, without notice to him. That, you know, he gets a note saying that these individuals are no longer permitted access to the site, which would certainly impact his operations.

And can you explain why this was allowed to happen?

**MR. POWER:** Okay.

So the first thing I'll say is, over the years – and this project has been on the go a long time – there were certain individuals removed from site. But I can tell you, unequivocally, that those decisions were never taken lightly. So there was a lot of – if there were safety incidents, which I think most revocations – if that's the word – were tied to, there would always be investigations carried out and so on and so forth. So there was always – so those decisions weren't taken lightly, so –

**MS. MUZYCHKA:** But wouldn't they be – would you consult with a manager on site if you had concerns about a member of his team.

**MR. POWER:** Yeah, so I don't know if there was consultation done with those individuals you're talking about there –

**MS. MUZYCHKA:** But we know Mr. Delarosbil said –

**MR. POWER:** Yeah, so –

**MS. MUZYCHKA:** – no consultation, no notice –

**MR. POWER:** All right. So I think the questions you're asking are better for Scott – Scott O'Brien.

**MS. MUZYCHKA:** Okay.

**MR. POWER:** But I do know that those decisions were not taken lightly, because everyone recognized that when you take those types of positions, there's always a lot of fallout and drama that takes a lot of energy and time to deal with.

**MS. MUZYCHKA:** Not to mention the disruption in the process – work process when three key people –

**MR. POWER:** That's right. So the decisions are always taken for the betterment of the project, and not for the detriment of the project. That I can say.

**MS. MUZYCHKA:** Okay. All right.

I do have probably another 15, 20 minutes.

**THE COMMISSIONER:** All right.

Well, it's about 20 to 5 now, so we'll break now.

But I have a sense here that Mr. Power will be a little longer, but I had that sense last week too. So I don't know if I'm going to be right or wrong, but I'd rather err on the side of caution. I think we'll start tomorrow morning at 9 o'clock, and we'll – and we will finish with Mr. Power tomorrow.

So we're adjourned until 9 o'clock tomorrow morning.

**CLERK:** All rise.

This Commission of Inquiry is concluded for the day.