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Subject: NALCOR IPR
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Attachments: [.png](#)
[Nalcor Focus Area Matrix.doc](#)

I have produced the consolidated Focus Areas matrix showing our individual preferences in the red and green columns. I would like to discuss this at our Wednesday telephone conference. I will arrange for Nalcor to issue the call in numbers.

The challenge is how to divide the focus areas between us recognizing that at least two of us need to address any one focus area. We have 35 focus areas to cover in three full days. It will be manageable if we can split into two teams for some of the areas. We should try to agree the breakdown of the focus areas on Wednesday.

Nalcor are presently preparing their list of interviewees for each focus area.

Regards, Derek

R. Derek Owen, President, RDO Consulting Ltd.

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Focus Area	RW	RW	BO	BO	JM	JM	DO	DO
1. That the preparation and planning of the project including those prerequisites identified by the Gatekeeper, which may not all be directly controlled by the Project team but are key enablers of the project, have been cleared or are at an advanced or otherwise acceptable state of completion or readiness. These include but are not limited to: <ul style="list-style-type: none"> Water Management; New Dawn Agreement; Shareholder support; Technological applications; Demonstrated need for the project based on demand; Appropriate timing for the project to proceed based on external factors ; Global financing market and liquidity; Provincial finances and forecast. 				Yes		Yes	Yes	
2. That there are adequate processes, procedures, tools, and systems in place or planned to be developed to proceed to the next phase.	Yes		Yes			Yes	Yes	
3. That there is an adequate general understanding by the project team of the processes, procedures, tools, systems and drivers of the project.	Yes			Yes		Yes	Yes	
4. That the quality and completeness of the source data used by Project is suitable.			Yes		Yes			
5. That the processes and methods used for Risk Analysis, Estimating and Economic analysis comply with appropriate standards, best practices or are equivalent.	Yes	Yes	Yes			Yes		Yes
6. That the development of the Project Charter and Project Execution Plan	Yes						Yes	

was carried out correctly.								
7. That the development of the Project Contracting Strategy was carried out in accordance with a defined process and that this complies with the appropriate standards, best practices or equivalent and the contracting plan.	Yes		Yes		Yes		Yes	
8. That the project contract strategy has incorporated sufficient market intelligence to make it feasible from a legal, insurance and execution perspective.			Yes		Yes		Yes	
9. That the Health, Safety and Environment processes and procedures used comply with the appropriate standards, best practices or equivalent.				Yes		Yes		Yes
10. That the Quality Assurance processes and procedures used comply with the appropriate standards, best practices or equivalent.				Yes	Yes			Yes
11. That the Project recommendation and AFE has been prepared in accordance with a defined process and that this process complies with the appropriate standards, best practices or equivalent.	Yes		Yes		Yes		Yes	
12. That the development of the Project cost estimates was carried out in accordance with a defined process and that this complies with the industry standard or is equivalent	Yes		Yes		Yes		Yes	
13. That the Project Schedule has been developed in accordance to an agreed process and identifies the critical path and the correct sequence of key events		Yes	Yes		Yes		Yes	
14. That the Engineering deliverables			Yes		Yes			Yes

required to commence the next phase are available and complete. These include site investigation, model testing and study scope for Gull Island, Muskrat Falls, HVdc and associated HVac transmission.								
15. That financing options are advanced to an acceptable state, that no showstoppers are apparent and that there is a plan to finalize the financing required within an acceptable timeframe that is acceptable to the Gatekeeper.								Yes
16. That arrangements for power sales are advanced to an acceptable state, that no showstoppers are apparent and that there is a plan to finalize the arrangements required within an acceptable timeframe that is acceptable to the Gatekeeper.						Yes		
17. That for the transmission access agreements for export transmission that no showstoppers are apparent and that there is a plan to finalize the agreements within an acceptable timeframe that is acceptable to the Gatekeeper.						Yes		
18. That the negotiations and consultations with aboriginal groups are well advanced and proceeding in accordance with a plan, which has been endorsed by the Gatekeeper, including negotiation of any Impact and Benefits Agreements.			Yes				Yes	
19. That the scope of work for Phase 3 is defined and that there is a process available for bidding, review and contract award and that this complies with best practice standards or equivalent.		Yes	Yes		Yes			
20. That a project cost and schedule estimate in the appropriate range of accuracy is available	Yes		Yes		Yes		Yes	

21. That an organization, mobilization and office plan has been developed and the organization is adequate to enter into the next phase.			Yes		Yes		Yes	
22. That the organization staffing and design is commensurate with the complexity of the project and is both well represented and functional.		Yes	Yes		Yes		Yes	
23. That there is a strategy and plan in place to have Operations and Maintenance representation in the Project and that a high level Operations philosophy has been developed which includes responsibilities during handover and a "Ready for Operations" philosophy aligned with corporate operating philosophy.			Yes		Yes			Yes
24. That the Environmental Assessment process is underway, on schedule, that no showstoppers are apparent and that there is a plan to finalize the environmental activities leading up to a final decision to meet the Project schedule.			Yes			Yes		Yes
25. That the strategic and tactical project risks are understood and a risk management plan is in-place and being actively pursued.	Yes		Yes			Yes		Yes
26. That the project execution approach is clearly defined, validated and endorsed by management.		Yes	Yes		Yes		Yes	
27. That the governance structures are established and clearly communicated for current and subsequent project phases.		Yes					Yes	
28. That the project's stakeholders are identified, an engagement plan is in-place and an appropriate level of engagement underway.	Yes			Yes				Yes
29. That the project management system structure is developed and implementation underway.	Yes		Yes		Yes		Yes	

30. That investment analysis process has been used to select the optimum development alternative, scheme and sequence and that such a process is commensurate with the level of decision.		Yes		Yes		Yes		
31. That Benefits obligations are understood and clearly communicated.							Yes	
32. That a Labour Relations Plan is in place and clearly communicated.				Yes			Yes	
33. That Shareholder requirements for equity and supporting debt have been communicated.								Yes
34. That and information management plan is in place and communicated.		Yes		Yes				Yes
35. That the optimization potential for the Muskrat Falls and HVdc Island Link project phase has been evaluated and the economic and technical feasibility analysis has been carried out with an appropriate plan in place for realization of any further potential as a result of the optimization.				Yes	Yes			Yes