

From: jmallam@nalcenergy.com
To: ronpower@nalcenergy.com
Subject: Re: Fw: Nalcor CEO happy with Muskrat review - The Telegram- June 14, 2011
Date: Tuesday, June 14, 2011 10:37:03 AM
Attachments: [Untitled attachment_00033.ifif](#)
[Untitled attachment_00039.ifif](#)

Have been for years !!!!!



John Mallam
Operations Lead
Nalcor Energy - Lower
Churchill Project
t. 709 737-1712 c. 709 691-
7666 f. 709 754-0787
e.
JMallam@nalcenergy.com
w. nalcenergy.com
1.888.576.5454

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Ron Power---06/14/2011 10:27:38 AM---sound like you are on the hook !!! ----- Forwarded by Ron Power/NLHydro on 06/14/2011 10:27 AM ----

From: Ron Power/NLHydro
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----- Forwarded by Ron Power/NLHydro on 06/14/2011 10:27 AM -----

From: Sarah Sullivan/NLHydro
To: Paul Harrington/NLHydro, Jason Kean/NLHydro, "Ron Power" <RonPower@nalcenergy.com>
Date: 06/14/2011 08:43 AM
Subject: Fw: Nalcor CEO happy with Muskrat review - The Telegram- June 14, 2011

Follow up article to the one I sent along yesterday.

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Robyn Hawco

----- Original Message -----

From: Robyn Hawco

Sent: 06/14/2011 08:39 AM NDT

To: Sarah Sullivan

Cc: Dawn Dalley; Karen O'Neill

Subject: Nalcor CEO happy with Muskrat review - The Telegram- June 14, 2011

Nalcor CEO happy with Muskrat review

Liberals slam lack of business analysis

The president of CEO and Nalcor says despite concerns raised in a review of the Lower Churchill Project, he's happy with the report.

"I think this is an outstanding report. We got it done on time. It's standard practice. It's best practice," Ed Martin said Monday evening, adding that the assessment process is a critical part of the project in identifying areas of the project — such as safety — that need to be addressed.

Martin said the review, while being skeptical about the project having 60 to 70 per cent of its engineering being done by October, noted the project's progress is well beyond most projects of a similar scope at this stage.

Some of the concerns — such as a lack of a safety manager — raised in the report, which was completed last fall, have already been addressed. But the release of the report — and the fact the House of Assembly is on its summer break — has done little to quell criticism of the project from provincial opposition.

Premier Kathy Dunderdale has repeatedly said in the House — in response to questioning by Liberal Leader Yvonne Jones, most recently on May 30 — two external audits have been done on Lower Churchill development. But the released review, which Nalcor confirmed is one of the reports Dunderdale has referred to, explicitly states that it isn't an audit, but a "high-level independent expert assessment" of the project's timetable.

On Monday, the Liberals issued a release saying the party has serious concerns about the review — which the release also referred to as an "audit."

"It made clear there were no defined processes for estimating the cost of the project and that severe time pressures were being imposed on Nalcor to get the deal with Emera Energy of Nova Scotia done," Jones said in the release. "It's alarming that just weeks before the project was announced, Nalcor did not have a detailed understanding of the costs associated with this multibillion-dollar megaproject."

Jones also expressed concern over the review's references to time pressures, and notes it does not contain any analysis of the business case for the project.

"There has not been an independent review to determine if the plan to develop Muskrat Falls to replace

Holyrood even makes sense,” Jones said. “It’s completely irresponsible of Premier Dunderdale to rush ahead with this project without any review of the business case. Did she not learn anything from the Upper Churchill contract?”

Martin acknowledged people might have been expecting more of an economic analysis in the project, but said this review is a valuable report in its own right, and noted there is another analysis coming to evaluate whether Muskrat Falls is the least-cost option. He also said the time between the completion of the report and its release has given Nalcor time to act on suggestions made in the report.

“That’s many months ago, which means we’ve had time to react. And that’s what I wanted,” said Martin. “So this is almost a year-old report with a series of recommendations so naturally we built in more time to allow us to get done what we have to get done. So I don’t feel rushed at all.”

Martin also defended the involvement of a senior Nalcor official in the review, which Jones said meant the review wasn’t independent. Martin called the involvement of John Mallam, vice-president of engineering for Nalcor’s hydro wing, standard practice, and praised the 35 years of experience Mallam brought to the review. “He wasn’t involved directly in the project, so it’s another set of cold eyes for me,” he said.

Neither Jones nor Dunderdale were available for comment Monday. A spokeswoman for Dunderdale said the premier would be available for comment this afternoon.



Robyn Hawco
Communications Assistant
Nalcor Energy - Lower Churchill
Project
t. 737-1859 f. 737-1816
e.
RobynHawco@nalcenergy.com
w. nalcenergy.com
1.888.576.5454

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