

From: Richard Westney
To: [Derek Owen](#)
Subject: Scope of work
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Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[DG 3 IPR FOCUS AREAS DRAFT REW Focus.doc](#)

Derek

Just a quick note to let you know that my immigration paperwork has been completed and I am good to go.

I have attached a marked copy of the IPR Scope document showing the areas that it would be best fit for me to focus on . Just a starting point for the discussion.

Looking forward to our kickoff telecon tomorrow

D

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HIGHLIGHTED AREAS ARE FOCUS FOR WESTNEY**DRAFT****IPR Scope and Focus Areas****Scope**

This Gate 3 IPR will address the following scope of the NE-LCP where applicable and as determined by the NE-LCP Gatekeeper.

Selected project development scheme:

- Muskrat Falls Generation Facility.
- HVdc transmission link to the Island, ensuring that proper consideration regarding upgrades to the island system to facilitate the Island Link have taken place.
- HVac Transmission from Muskrat Falls to Churchill Falls.

Focus Areas

The IPR Team shall review and evaluate the Gate 3 deliverables are in place for the Project to proceed effectively to Phase 4 in a controlled and timely manner (see [Lower Churchill Project – Gate 3 Key Deliverables GEN-PM-00XX](#) for listing) or there is a workaround which is deemed acceptable by the Gatekeeper that includes verification of the following:

Execution:

- 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.
 - That there are adequate processes, procedures, tools, and systems in place or planned to be developed to proceed to the next phase and that there is an adequate general understanding by the project team of these processes, procedures, tools, systems and drivers of the project.
 - That the Project Charter and Project Execution Plan are in place.
 - That the project execution approach is clearly defined, validated and endorsed by management.
 - That the governance structures are established and clearly communicated for current and subsequent project phases.
 - That the project management system structure is developed and being implemented.

- That an organization, mobilization and office plan has been developed and the organization is adequate to enter into the next phase.
- That Construction Management and Execution Plans are in place.
- That the 3rd party resources are available and that there is an interface management plan in place.
- That Construction Performance Management Plans are in place.
- That there are Project-wide Interface Management Plans in place.
- That there is Health, Safety and Environment Management Plan in place.
- That the Project Site Safety plan is in place.
- That there is Quality Assurance Plan in place.
- That there is a strategy and plan in place to have Operations and Maintenance representation in the Project and that an Operations philosophy has been developed which includes responsibilities during handover and a “Ready for Operations” philosophy aligned with corporate operating philosophy.
- That the project’s stakeholders are identified, an engagement plan is in-place and an appropriate level of engagement underway.
- That the strategic and tactical project risks are understood and a risk management plan is in-place and being actively pursued.
- That Benefits obligations are understood and clearly communicated.
- That a Labour Relations Plan is in-place and clearly communicated.
- That an Information Management plan is in place and communicated.
- That the Environmental Assessment process is well advanced 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.
- That the Regulatory Compliance Management Plan is in place.

Technical:

- That the Engineering deliverables required to commence the next phase are available and complete.
- That the quality and completeness of the source data used by Project is suitable.
- Confirm that Phase 3 has:
 - Completed optimizations.
 - Established a clear consistent design basis for the execution of construction contracts.
- Confirm that the design basis is frozen and that the Project Design Basis is well documented and that there is a rigorous Management of Change process in place.
- That there is process to monitor Engineering/Design quality and performance.
- That there are plans in place for Engineering support to construction.
- That there has been constructability reviews of the design.
- That design and engineering resources are sufficient to meet the schedule requirements.

- That site geotechnical surveys are complete to support engineering and construction.

Procurement/Contracting:

- 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.
- That the project contract strategy has incorporated sufficient market intelligence to make it feasible from a legal, insurance and execution perspective.
- That there is an approved Work Breakdown Structure in place.
- That the scope of work for Phase 4 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.
- That individual procurement and contracts package plans are in place to ensure timely awards.
- That long lead and critical equipment and materials have been identified.
- That there is a clear understanding of Owner approvals requirements.
- That vendor document and data management plan is in place.
- That procurement/contracting resources are in place to meet the schedule requirements.
- That plans are in place to provide sub-contract administration support to construction.

Project Controls:

- That the Project Sanction AFE has been prepared in accordance with a defined process and that this process complies with the appropriate standards, best practices or equivalent.
- That the processes and methods used for Risk Analysis comply with appropriate standards, best practices or are equivalent.
- That adequate and realistic cost and schedule allowances have been determined and included in the Project Sanction costs and schedules and appropriate range of accuracy has been determined.
- That a project cost control process is in place.
- 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.
- That the Project Reporting Plan is in place

Project Economics:

- 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.

- 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.
- 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.
- 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.

Project Financing:

- 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.
- That Shareholder requirements for equity and supporting debt have been communicated.
- That the “Lenders Engineer” has been identified and that interface management plans are in place.