

From: mbradbury@nlh.nl.ca
Sent: Wednesday, April 23, 2008 9:48 AM
To: kenwall@nlh.nl.ca
Cc: Paul Harrington; Philip Bursey; Gilbert Bennett; Derrick Sturge; Joanna Harris; Rob Hull; Ruby Carter
Subject: Re: PWC progress
Attachments: Copy of PWC Progress Curve1.xls

The deliverables are largely contingent upon progress in certain key areas:

1. PPA negotiations - This is largely under the control of Gilbert (Maritime Link), Joanna (OPA) and Derrick (Aluminum). These discussions are proceeding with all due haste as far as I can determine and are not entirely within our control.

2. Transmission access certainty - This is largely under the control of Joanna whose progress is hampered to a degree by uncertainty around the PPA negotiations.

3. IBA negotiations - These are largely under the control of Ruby. We are moving ahead with discussions of the equity participation and one meeting had already occurred. Another is planned for mid May so the process is underway. Again, the pace is not entirely within our control.

4. Equity requirements - Although we have met with senior officials with the Dept of Finance, progress is somewhat hampered by the fact that we still do not have a preferred scenario that we can analyze. Having said this, we have scheduled another meeting with the Deputy Minister of Finance to revisit the equity question. The key questions to answer are whether the Province can handle all the equity requirement or whether a third party investor is required. We are pursuing the answer to this question with all due haste while still working with multiple scenarios.

5. Regulatory and structural changes - We have formed a high level steering committee to address the policy issues associated with recent PWC recommendations in this regard. Two meetings have already been held, but progress is slow given the tight calendars of the participants.

These are five critical areas that are impacting on PWC and in fact the Finance Team progress. While we are trying to move these items ahead as expeditiously as possible, the pace is not entirely within our control. PWC has recently published a listing of the essential "must have's" for market sounding and I will be scheduling a workshop shortly to discuss each of them with a view to assessing the current progress status. I am concerned that we are behind where we need to be if we are going to be ready for market sounding by October of this year.

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Corporate Treasurer

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Ken Wall/NLHydro

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|---|---------|--|
| Ken Wall/NLHydro 04/17/2008 11:51 AM | To | Mark Bradbury/CRP/NLHydro@NLHydro, Gary Davis/NLHydro@NLHydro, Philip Bursey/NLHydro@NLHydro |
| | cc | Paul Harrington/NLHydro@NLHydro, Jason Kean/NLHydro@NLHydro |
| | Subject | PWC progress |

Mark,

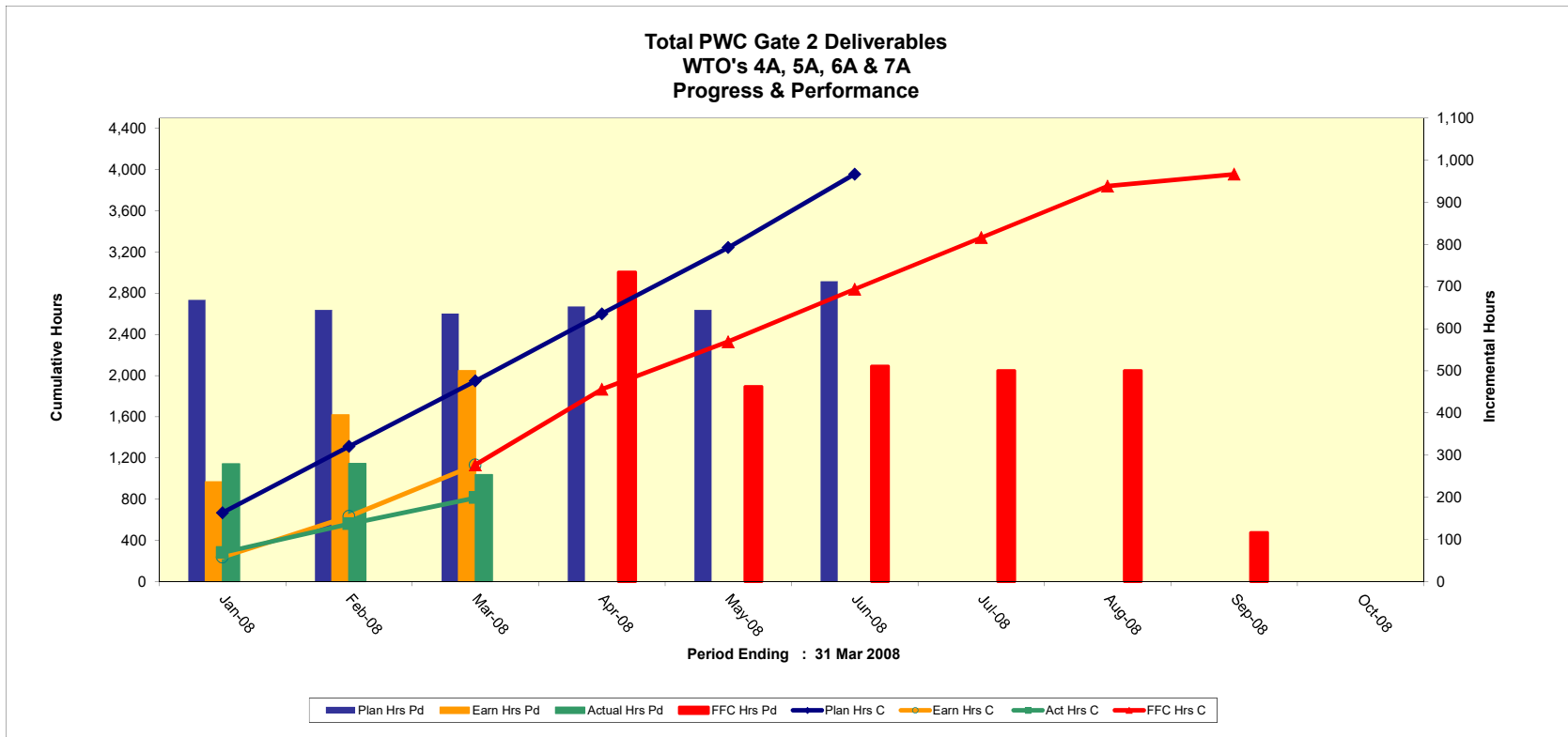
Using our review, of PWC progress this morning, and the updating of the activity progress, from our perspective, the physical progress is calculated as 26.9% complete vs PWC's progress of 28.6% against a plan of 49.2%.

I have adjusted the S Curve to reflect the forecast based on progress (attached) which shows that based on current progress and productivity, the forecast completion date will be more like the end of September 2008 compared to the plan of June 2008. Since the ownness is on us, the project, to drive the progress, is there anything we can do to accelerate the deliverables ?



Copy of PWC Progress Curve1.xls

KEN WALL PMP, MCPM
 Lower Churchill Project
 Project Controls
 (709) 737-1987



| Target Hours : | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Plan Hrs C | 3,956 | 668 | 1,312 | 1,948 | 2,600 | 3,244 | 3,956 | 0 | 0 |
| Earn Hrs C | | 237 | 632 | 1,132 | 0 | 0 | 0 | 0 | 0 |
| Act Hrs C | | 279 | 559 | 813 | 0 | 0 | 0 | 0 | 0 |
| FFC Hrs C | 2,840 | 500 | 116 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plan % | | 16.9% | 33.2% | 49.2% | 65.7% | 82.0% | 100.0% | 0.0% | 0.0% |
| Act % | | 6.0% | 16.0% | 28.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Fcst % | | | 28.6% | 47.2% | 58.9% | 71.8% | 84.4% | 97.1% | 100.0% |
| Plan Hrs Pd | | 668 | 644 | 636 | 652 | 644 | 712 | 0 | 0 |
| Earn Hrs Pd | | 237 | 396 | 500 | 0 | 0 | 0 | 0 | 0 |
| Actual Hrs Pd | | 279 | 280 | 254 | 0 | 0 | 0 | 0 | 0 |
| FFC Hrs Pd | | 3,840 | 3,956 | 0 | 734 | 462 | 511 | 500 | 500 |
| Perf. Pd | | 0.85 | 1.41 | 1.97 | | | | | |
| Perf C | | 0.85 | 1.13 | 1.39 | | | | | |

| Period # | Number | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------|------------|--------------|--------|--------|--------|--------|---------|---------|---------|--------|--------|
| Period Date | | Dec-07 | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 |
| Orig. Budget | Period | 3,956 | 0 | 668 | 644 | 636 | 652 | 644 | 712 | | |
| | Cumul | | 0 | 668 | 1,312 | 1,948 | 2,600 | 3,244 | 3,956 | | |
| PCN | Period | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | Cumul | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Curr. Plan | Period | 3,956 | 0 | 668 | 644 | 636 | 652 | 644 | 712 | 0 | |
| | Cumul | | 0 | 668 | 1,312 | 1,948 | 2,600 | 3,244 | 3,956 | | |
| % Compl | Plan Per | | 0.0% | 16.9% | 16.3% | 16.1% | 16.5% | 16.3% | 18.0% | 0.0% | |
| | Plan Cumul | | 0.0% | 16.9% | 33.2% | 49.2% | 65.7% | 82.0% | 100.0% | 0.0% | |
| | Actual Per | | 0.0% | 6.0% | 10.0% | 12.6% | 0.0% | 0.0% | 0.0% | 0.0% | |
| | Act Cumul | | 0.0% | 6.0% | 16.0% | 28.6% | 0.0% | 0.0% | 0.0% | 0.0% | |
| | FCST Cumul | | | | 28.6% | 47.2% | 58.9% | 71.8% | 84.4% | 97.1% | 100.0% |
| Actual | Period | 813 | 0 | 279 | 280 | 254 | 0 | 0 | 0 | 0 | |
| Hours | Cumul | | 0 | 279 | 559 | 813 | | | | | |
| Earn | Period | 1,132 | 0 | 237 | 396 | 500 | 0 | 0 | 0 | 0 | |
| Hours | Cumul | | 0 | 237 | 632 | 1,132 | | | | | |
| SV | Period | | 0 | (431) | (248) | (136) | (652) | (644) | (712) | 0 | |
| | Cumul | | 0 | (431) | (680) | (816) | (2,600) | (3,244) | (3,956) | 0 | |
| SPI | Period | | | 0.35 | 0.61 | 0.79 | 0.00 | 0.00 | 0.00 | | |
| | Cumul | | | 0.35 | 0.48 | 0.58 | 0.00 | 0.00 | 0.00 | | |
| CPI | Period | | | 0.85 | 1.41 | 1.97 | | | | | |
| | Cumul | | | 0.85 | 1.13 | 1.39 | | | | | |
| FCST | Period | | | | 0 | 734 | 462 | 511 | 500 | 500 | 116 |
| | Cumul | 2,840 | | | 1,132 | 1,866 | 2,329 | 2,840 | 3,340 | 3,840 | 3,956 |

Monthly Planned

| | | | | | | | | | |
|-------|---------------|--------------|------|-------|-------|-------|-------|-------|--------|
| WTO 4 | Orig Plan | 716 | 721 | 128 | 104 | 96 | 112 | 104 | 172 |
| | Appr. Changes | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Curr. Plan | 716 | | 128 | 104 | 96 | 112 | 104 | 172 |
| | Plan % Compl | Incr | | 17.9% | 14.5% | 13.4% | 15.6% | 14.5% | 24.0% |
| | | Cumul | | 17.9% | 32.4% | 45.8% | 61.5% | 76.0% | 100.0% |
| | Earned Hours | Incr | | 72 | 72 | 143 | | | |
| | | Cumul | | 72 | 143 | 215 | | | |
| | Earn % Compl | Incr | | 10.0% | 10.0% | 10.0% | 0.0% | 0.0% | 0.0% |
| | | Cumul | | 10.0% | 20.0% | 30.0% | | | |
| | | Actual Hours | Incr | | 39 | 123 | 6 | | |
| | | Cumul | | 39 | 162 | 168 | | | |
| WTO 5 | Orig Plan | 1,392 | 530 | 232 | 232 | 232 | 232 | 232 | 232 |
| | Appr. Changes | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Curr. Plan | 1,392 | | 232 | 232 | 232 | 232 | 232 | 232 |
| | Plan % Compl | Incr | | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% |
| | | Cumul | | 16.7% | 33.3% | 50.0% | 66.7% | 83.3% | 100.0% |
| | Earned Hours | Incr | | 14 | 139 | 56 | | | |
| | | Cumul | | 14 | 153 | 195 | | | |
| | Earn % Compl | Incr | | 1.0% | 10.0% | 3.0% | 0.0% | 0.0% | 0.0% |
| | | Cumul | | 1.0% | 11.0% | 14.0% | | | |
| | | Actual Hours | Incr | | 70 | 70 | 50 | | |
| | | Cumul | | 70 | 141 | 190 | | | |
| WTO 6 | Orig Plan | 1,240 | 658 | 207 | 207 | 207 | 207 | 207 | 207 |
| | Appr. Changes | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Curr. Plan | 1,240 | | 207 | 207 | 207 | 207 | 207 | 207 |
| | Plan % Compl | Incr | | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% |
| | | Cumul | | 16.7% | 33.3% | 50.0% | 66.7% | 83.3% | 100.0% |
| | Earned Hours | Incr | | 76 | 124 | 174 | | | |
| | | Cumul | | 76 | 200 | 298 | | | |
| | Earn % Compl | Incr | | 6.1% | 10.0% | 7.9% | 0.0% | 0.0% | 0.0% |
| | | Cumul | | 6.1% | 16.1% | 24.0% | | | |
| | | Actual Hours | Incr | | 124 | 81 | 98 | | |
| | | Cumul | | 124 | 204 | 302 | | | |
| WTO 7 | Orig Plan | 608 | 125 | 101 | 101 | 101 | 101 | 101 | 101 |
| | Appr. Changes | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Curr. Plan | 608 | | 101 | 101 | 101 | 101 | 101 | 101 |

| | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|--------|
| Plan % Compl | Incr | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% | 16.7% |
| | Cumul | 16.7% | 33.3% | 50.0% | 66.7% | 83.3% | 100.0% |
| Earned Hours | Incr | 75 | 61 | 128 | | | |
| | Cumul | 75 | 136 | 188 | | | |
| Earn % Compl | Incr | 12.4% | 10.0% | 8.6% | 0.0% | 0.0% | 0.0% |
| | Cumul | 12.4% | 22.4% | 31.0% | | | |
| Actual Hours | Incr | 46.5 | 6 | 100.0 | | | |
| | Cumul | 46.5 | 52.5 | 152.5 | | | |