

Date : 8/23/2011 1:19:42 PM

From : "Skinner, Shawn"

To : "Thompson, Robert" , "Maclean, Heather" , "Bown, Charles W." , "Power, Glenda"

Subject : RE: Core Messages

Thank you.

Shawn

From: Thompson, Robert

Sent: Tuesday, August 23, 2011 1:15 PM

To: Skinner, Shawn; Maclean, Heather; Bown, Charles W.; Power, Glenda

Subject: Core Messages

- I am focusing on the first two recommendations on financial issues and alternatives to the project. There is much else in the report that government will review carefully and respond at a later date.
- The first recommendation deals with the financial returns of both Gull Island and Muskrat Falls to the people of the province. While there is much inflammatory language in this section, over which we are puzzled (because there is no question that the project is financially sound), the recommendation is one that we accept.
- The Panel says that government should complete a formal review BEFORE the project is sanctioned to ensure it is financially sound. This is normal business practice. The people of the province should have full comfort that there are four levels of further review before we sanction the project:
 - Internal in Nalcor with its advisors;
 - Internal to Government
 - The independent review by Navigant;
 - The PUB review.
- On the second recommendation, that an independent review should be done on the alternatives to the project, this recommendation is substantially addressed by the independent review by Navigant and the PUB that we have already commissioned. These reviews are directly focused on whether Muskrat Falls is the least cost option.
- The Panel recommendation enumerates some additional points of analysis that it believes should be done in an independent review. We will need to assess these items to determine their merit. We are very supportive of the strong analysis and studies supplied by Nalcor to the Panel and are puzzled by the lack of appraisal that the Panel put into these studies. Nonetheless, we will examine this issue further.