

From: jasonkean@nalcenergy.com
To: [Deepesh Singh](#)
Cc: pharrington@nalcenergy.com
Subject: Comments to Public-Disclosable Report
Date: Monday, September 27, 2010 8:21:02 PM
Attachments: [.png](#)
[Pres1_NLH8001PAC - Nalcor Comments - 27-Sep-10.pdf](#)

Deepesh,

Following our review of the Public Disclosable report IPA issued on September 24, we have proposed several changes for your consideration (see attached pdf file). While we wish to accurately reflect IPA's findings from review, we wish to characterize them as items not preventing us from concluding FEL 2, rather items that must be a priority focus as the EPCm consultant is engaged.

Please review and advise whether these proposed changes are acceptable. If at all possible, we would like to have a revised report by COB on Wednesday, Sept 29.

Regards,

Jason



Pres1_NLH8001PAC - Nalcor Comments - 27-Sep-10.pdf



Jason R. Kean, P. Eng., MBA,
PMP

Project Services Manager
(Consultant)

Lower Churchill Project
Nalcor Energy - Lower
Churchill Project

t. 709 737-1321 f. 709 737-
1985

e.

JasonKean@nalcenergy.com

W. nalcenergy.com

1.888.576.5454

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Summary of Comments on No Slide Title

Page: 1

Number: 1	Author: Project Solutions	Subject: Replacement Text	Date: 9/27/2010 1:11:06 PM -02'30'
Summary of			
Number: 2	Author: Project Solutions	Subject: Cross-Out	Date: 9/27/2010 1:11:24 PM -02'30'
Number: 3	Author: Project Solutions	Subject: Cross-Out	Date: 9/27/2010 1:11:35 PM -02'30'



INDEPENDENT PROJECT ANALYSIS

~~Excerpts from~~ IPA's
Review of the
Muskrat Falls
Generation Project
and Island Link
Transmission Project

~~Presented to Nalcor Energy~~
September 2010

~~H-0204-PAC~~

CONFIDENTIAL DOCUMENT

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 - Manufacturing: chemicals, fuels, pharmaceuticals, paper, food processing, consumer products



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- All information contained in IPA databases is carefully protected and kept as confidential proprietary data

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Number: 1	Author: Project Solutions	Subject: Note	Date: 9/27/2010 1:15:10 PM -02'30'
Could we add a slide here depicting the three phases of FEL (reference Slide 16 from larger presentation).			
Number: 2	Author: Project Solutions	Subject: Inserted Text	Date: 9/27/2010 1:12:29 PM -02'30'
Nalcor Energy			



Evaluation of the Muskrat Falls Generation Project and Island Link Transmission Project

- IPA performed Pacesetter Evaluation of the project in August/September 2010
- Objective of IPA's Pacesetter is to:
 - Provide project team with an early interpretation of the drivers and expected outcomes of a project
 - Offer specific recommendations for successful completion of the critical project definition phase
- Comprehensive interviews performed over 3-day period by IPA representatives
- Detailed findings presented to the project team

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Number: 1	Author: Project Solutions	Subject: Inserted Text	Date: 9/27/2010 1:13:30 PM -02'30'
(i.e. Phase 2 of Nalcor Energy's Gateway Process)			
Number: 2	Author: Project Solutions	Subject: Note	Date: 9/27/2010 1:41:52 PM -02'30'
What about referencing team's use of best practices thus far? This will facilitate improved bridging to last bullet.			
Number: 3	Author: Project Solutions	Subject: Replacement Text	Date: 9/27/2010 1:53:53 PM -02'30'
Experienced, high-involved Project Team in place, however, results of team surveys identified several opportunities to enhance overall team functionality / effectiveness going into FEL 3 (e.g. clarify roles and responsibilities, execution strategy).			
Number: 4	Author: Project Solutions	Subject: Replacement Text	Date: 9/27/2010 1:40:32 PM -02'30'
As Nalcor ramps up its project management team in preparation for the EPCm consultant's mobilization in Q1-11, a focus, concerted effort must be directed towards ensuring overall team alignment and integration in order to avoid the risk of erosion of the benefits of Best Practices applied thus far.			
Number: 5	Author: Project Solutions	Subject: Note	Date: 9/27/2010 4:13:05 PM -02'30'
What about including a reference to a high-level of owner involvement and the potential benefits it brings?			
Pauls note - Could we say "Improving team alignment and team functionality is critical for success in the coming phases and presents risks and challenges for the Project team to address			



Key Findings

Muskrat Falls Project & Island Link Transmission Project

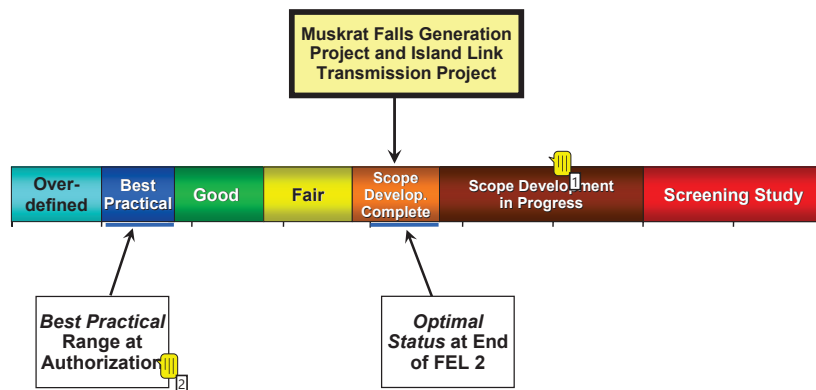
- Project is better prepared than a typical megaproject at end of Front-End Loading (FEL) 2 ¹
- Project has clear objectives and a well-developed project team that has closed the project scope and achieved optimal project definition ²
- ~~However, team misalignment on several key project elements presents risks and challenges going forward~~ ³
- ~~As owner ramps up the team and contractors mobilize in next few months, lingering team issues will magnify risks and potentially erode benefits of Best Practices applied thus far~~ ⁴



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Number: 1	Author: Project Solutions	Subject: Note	Date: 9/27/2010 1:49:39 PM -02'30'
Add mega-project average at FEL 2			
Number: 2	Author: Project Solutions	Subject: Note	Date: 9/27/2010 1:50:12 PM -02'30'
Can we replace Authorization with Project Sanction or end of FEL 3?			

FEL Status of Muskrat Falls Generation Project and Island Link Transmission Project at End of FEL 2



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Recommendations

Muskrat Falls Project & Island Link Transmission Project

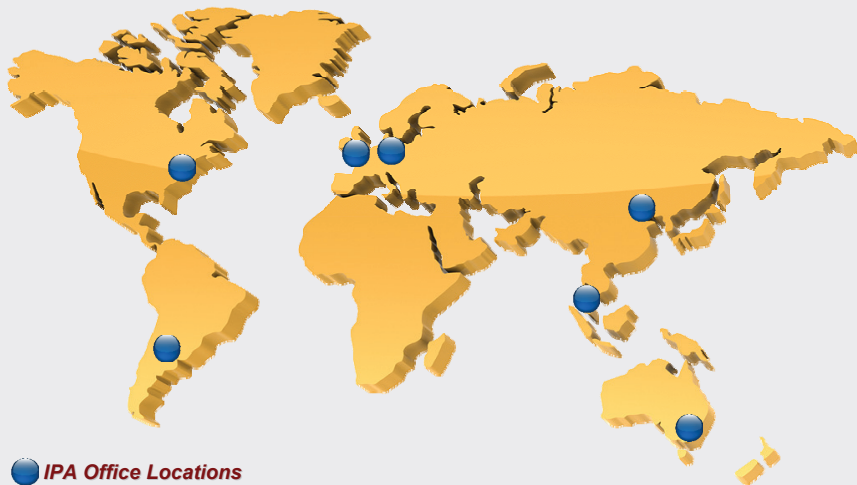
- Before ramping up for FEL 3, develop specific steps to address ~~and resolve gaps in Team Functionality~~
- Develop detail interface management plans that provide clear directions to contractors
- To mitigate risk of late changes, implement and strictly adhere to strong change management process, and close ~~ongoing~~ studies
- Adequately plan for labor shortages, which are likely to occur, and follow through on resource loading project schedule
- Follow plan to increase and maintain active owner involvement throughout project

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Number: 1	Author: pauharcr	Subject: Cross-Out	Date: 9/27/2010 4:07:25 PM -02'30'
Number: 2	Author: pauharcr	Subject: Cross-Out	Date: 9/27/2010 4:07:35 PM -02'30'
Number: 3	Author: pauharcr	Subject: Sticky Note	Date: 9/27/2010 4:14:35 PM -02'30'
add "alignment and " before functionality			
Number: 4	Author: pauharcr	Subject: Sticky Note	Date: 9/27/2010 4:08:27 PM -02'30'
Can we move this down the order- make it the last bullet point?			
Number: 5	Author: Project Solutions	Subject: Inserted Text	Date: 9/27/2010 1:51:08 PM -02'30'
Continue with plans to,			
Number: 6	Author: Project Solutions	Subject: Cross-Out	Date: 9/27/2010 1:51:31 PM -02'30'
Number: 7	Author: Project Solutions	Subject: Inserted Text	Date: 9/27/2010 1:51:25 PM -02'30'
all open			
Number: 8	Author: Project Solutions	Subject: Inserted Text	Date: 9/27/2010 1:52:04 PM -02'30'
through with			

Independent Project Analysis, Inc.

44426 Atwater Drive
 Ashburn, VA 20147 USA
 +1 703 729-8300 www.IPAglobal.com



For additional information, please contact Deepesh Singh at +1-703-726-5318 or dsingh@ipaglobal.com.