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Subject: Draft Mandate - LC Executive Committee
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Attachments: [.png](#)
[LCECCharterandTOR_Draft.docx](#)

Gilbert/Catherine -- I've pulled together a first draft of a team charter/TOR for the LC Executive Committee. My suggestion is that we look at this first, and that we then send a second version to all Committee members for further comment.



LCECCharterandTOR_Draft.docx

Re: the last section on Committee Operations, I took some latitude here on the role of alternates, let me know what you think.

Regards. Gerard.



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COMMITTEE CHARTER AND TERMS OF REFERENCE

LOWER CHURCHILL EXECUTIVE COMMITTEE

GENERAL PURPOSE

The general purpose of the Lower Churchill Executive Committee (LCEC) is to monitor and facilitate progress relative to the planning and successful execution of both Phase I (Muskrat Falls) and Phase II (Gull Island) of the Lower Churchill project, and to ensure that Lower Churchill plans and activities are integrated and aligned with other Nalcor lines of business and corporate functional areas as appropriate.

KEY OBJECTIVES

The key objectives of the LCEC are as follows:

1. To oversee the management of change in relation to any proposed revisions to project scope, including budget; project design/configuration; contracting strategy; and organizational/governance structures.
2. To ensure awareness and alignment on key issues that involve or affect other lines of business and/or corporate functional areas, and to resolve conflicts where they arise.
3. To act as a sounding board/advisory group to the Vice-President, Lower Churchill Project and other executive members of the LCEC in relation to key decisions in their areas, including decisions that require escalation to the President and CEO, in particular issues likely to have an impact on safety, the environment, cost, quality, and schedule.
4. To generally oversee the status and progress of Phase I project execution and Phase II planning and development; the negotiation and execution of commercial, joint development, financing and other legal agreements; and the integration and alignment of system planning and system operations activities between the Lower Churchill Project and other Nalcor electricity lines of business.
5. To provide advice and input to the President and CEO.

EXECUTIVE SPONSOR

President and CEO, Nalcor Energy

BACKGROUND AND GUIDING PRINCIPLES

The Lower Churchill Project (LCP) is a complex undertaking that touches many parts of the company with a significant number and diversity of stakeholders. The need for alignment and effective interaction between and among these different organizational groups is essential to the success of the LCP, and the ability of the company to optimize its operations from an overall, integrated power systems perspective within the province.

The rapidly increasing level and pace of activity related to Phase I execution is occurring in the context of other ongoing and critical organizational priorities, as well as a demand for highly specialized technical and functional input from a limited pool of senior people within the company. This has necessitated a priority focus on creating an organization design that will enable the company to adjust quickly and make the most of its available human resources, while maintaining focus in the right areas. The following are the key reference points and guiding principles for the Company in adopting the Executive Committee/Working Group approach outlined in this Charter.

- We are always guided by our company's vision, values and goals.
- Our company's matrix organization design is intact. We remain committed to optimizing our available resources across all lines of business, and achieving functional excellence and consistency through strong, best practice corporate standards.
- We must ensure the "ball is not dropped" in any area of the corporate plan, and that a clear focus is maintained in all lines of business.
- We must ensure a clear, continuing focus on Phase II development.
- We must ensure clear focus on the 2012 General Rate Application (GRA).
- We must ensure a clear focus on the company's six year rate management plan.
- Time and resource constraints, as well as uncertainties regarding future state organizational requirements, dictate we should leverage existing people and relationships, through consultation and cross-representational teams. Emphasize the "white space" across the organization.
- Optimization on a total systems level is critical for both the success of the project and the company's overall energy system performance. Internal integration and alignment among all key stakeholders is key.

- The accountabilities of different stakeholders must be clear and unambiguous, in particular with respect to the Vice-President, Lower Churchill; other executive members of the LCEC; the LCEC itself; and the President and CEO. The criteria and processes for decisions, approvals and issue escalation must be clearly documented and understood by all.

The Company has consciously taken the approach of using cross-representational teams and working groups in the short term. This will allow the company to mobilize quickly around its 2011 priorities, as well as provide time to evaluate the Company's longer term organizational requirements.

EXECUTIVE COMMITTEE COMPOSITION

The Executive Committee is comprised of senior executives and managers who are committed to the project and have the authority to make decisions that have company-wide impacts. The Committee is free at any time to invite others to discuss Committee business, however the regular members of the LCEC have been designated as follows:

Vice-President, Lower Churchill	Gilbert Bennett (<i>chairperson</i>)
Vice-President, Finance and CFO	Derrick Sturge
Vice-President, Project Execution & Technical Services	John MacIsaac
Manager, Corporate Communications and Shareholder Relations	Dawn Dalley
Commercial Lead	Rob Hull
Project Manager, LCP	Paul Harrington
System Integration Lead	Paul Humphries
Manager, System Operations	Rob Henderson
Manager, LCP Integration ¹	Brian Crawley (<i>consultant</i>)

- 1 The Manager, LCP Integration works with all members of the LCEC to help ensure that LCP activities are completed in accordance with Nalcor's functional matrix organization design, and that all communication and planning activities are carried out in a manner that ensures optimum alignment and integration between the Phase I execution team, the Phase II development team, and other Nalcor departments and lines of business, and with the appropriate Emera departments to ensure that inter-company communications, reporting, and joint development agreement obligations are fulfilled.

Commercial Team (Rob Hull, Team Lead)

A Commercial Team has been established to address the various commercial and legal aspects of Phase I execution and the completion of all necessary joint development agreements with Emera Energy. Cross-representational working groups have been established in each of the following key areas:

- NLH/Provincial arrangements
- Emera Energy arrangements
- Financing activities
- Regulatory Activities
- Insurance Strategy
- Shareholder coordination
- Energy marketing infrastructure

System Integration Team (Paul Humphries, Team Lead)

A system Integration Team has been established within the LCEC structure with the general mandate of ensuring that the design of the LCP from an end-use operations and maintenance perspective is optimized within the company's asset management framework and within the context of the company's overall integrated power systems within the province. Support resources have been established in each of the following key areas:

- Technical support
- Reliability support
- Hydrology support
- Regulatory support
- Energy marketing support

The chart shown in Schedule 1 presents an overall organization design for the LCEC.

AUTHORITIES AND DECISION MAKING

With the exception of issues the Committee is required to escalate to the President/CEO, the LCEC is generally authorized to make all decisions that are required in fulfilling its objectives as outlined above. Where decisions/approvals require the support and agreement of another line of business and/or corporate functional area, this shall be obtained by the Committee before any decision or recommendation is finalized.

Issues requiring escalation to the LCEC will include the following:

- a) any proposed change to project scope, including budget; project design/configuration; contracting strategy; and organizational/governance structures.
- b) any issue or decision that has a potential impact on safety; the environment; project cost, quality, and/or schedule; corporate policies/standards; or shareholder relations.
- c) any unresolved conflict on an issue requiring alignment/agreement with another line of business and/or corporate functional area.
- d) any decision items originating from a working group which are outside the authority of both the working group and the relevant Vice-President.

Escalation to the President/CEO

Decisions or approvals shall be escalated to the President/CEO (and the Leadership Team if he feels appropriate) as indicated below. Whenever feasible, all such referrals will be accompanied by the recommendation of the LCEC.

- a) any proposed change to project scope, including budget; project design/configuration; contracting strategy; and organizational/governance structures.
- b) any issue or decision that has a potential impact on safety; the environment; project cost, quality, and/or schedule; corporate policies/standards; or shareholder relations.
- c) any unresolved conflict on an issue requiring alignment/agreement with another line of business and/or corporate functional area.
- d) any other decision item the Committee feels should be referred to the President/CEO for final resolution.

COMMITTEE OPERATIONS

The Committee shall operate in accordance with the following procedures and guidelines:

- a) The Committee will meet on a regularly scheduled basis, initially bi-weekly.
- b) The Committee may invite other company representatives to a regular meeting as and when required.
- c) A quorum for any meeting of the Executive Committee shall consist of five members, which shall include the Vice-President, Lower Churchill Project and at least one other executive member of the Committee.
- d) Member substitutions at regular meetings of the Committee are permitted. However, such substitutions shall not count toward the determination of a quorum, and member alternates are not permitted to participate in any vote called by the Chairperson. Each Committee member is entitled to designate one alternate.
- e) Minutes of each meeting of the Committee will include a record of decisions/approvals; follow-up actions; and other general discussion, and shall be maintained by the Manager, LCP Integration or some other person designated by the Chairperson.
- f) An Agenda for each meeting of the Committee, along with copies of related materials if at all possible, will be circulated to Committee members at least two days in advance.
- g) The Committee may adopt other operating procedures it feels are necessary and appropriate for the efficient operation of the Committee.