From: pharrington@lowerchurchillproject.ca
To: jamesmeaney@nalcorenergy.com
Cc: Ed Bush; Lance Clarke; Gilbert Bennett
Subject: Re: Response to MWH on CH0006 Claim
Date: Wednesday, February 19, 2014 3:38:50 PM

Jim

The IE scope of work during the construction phase includes the following

"Prepare IE Periodic Report"

......The report shall cover the general status of construction versus the milestone schedule, the status of the budget versus actual expenditures, status of planned contract expenditures versus planned, status of change orders or claims and any areas of concern and actions being taken of which we are aware.......

the review of Contract Change Orders is considered an additional service which must be authorized by the Client. I believe this would also apply to REA's

Rey has overstepped his scope of work here by not only reporting on the status of the REA but also passing opinions on the handling of REA - which is clearly a commercial matter for Nalcor to manage. The IE's scope of work does not include the detail analysis that the IE is suggesting that they would "like to know". This is a commercial matter and if this goes to litigation then the Contractor could demand all correspondence on this matter which would include the IE's observations on Nalcor's handling and has even incorrectly labelled Nalcor's process for handling the REA as a "delay", this in itself is an unwarranted intrusion in an ongoing commercially sensitive manner which is following due process .

regards Paul

Paul Harrington
Project Director
PROJECT DELIVERY TEAM

Lower Churchill Project

t. 709 737-1907 c. 709 682-1460 f. 709 737-1985

e. PHarrington@lowerchurchillproject.ca

w. muskratfalls.nalcorenergy.com

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James Meaney---02/18/2014 02:31:55 PM---See guidance below from Alison at CBB....she will help us manage this with Canada, so let's avail of

From: James Meaney/NLHydro

To: Ed Bush/NLHydro@NLHYDRO,

Cc: Lance Clarke/NLHydro@NLHydro, Paul Harrington/NLHydro@NLHydro

Date: 02/18/2014 02:31 PM

Subject: Response to MWH on CH0006 Claim

See guidance below from Alison at CBB....she will help us manage this with Canada, so let's avail of that and get something across to her this week ahead of issuing next Funding Request on Monday Feb 24



James Meaney, CFA
General Manager Finance
Nalcor Energy - Lower Churchill
Project

t. **709 737-4860** c. **709 727-5283** f. **709 737-1901**

e.

<u>JamesMeaney@nalcorenergy.com</u>

w. <u>nalcorenergy.com</u> 1.888.576.5454

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

---- Forwarded by James Meaney/NLHydro on 02/18/2014 02:29 PM -----

From: "Manzer, Alison" <amanzer@casselsbrock.com>

To: "JamesMeaney@nalcorenergy.com" < JamesMeaney@nalcorenergy.com>

Date: 02/18/2014 02:16 PM

Subject: RE: LOWER CHURCHILL; NALCOR; DRAFT OF TEXT PERTAINING TO CLAIM FOR CHOOO6, BULK EXCAVATION; THIRD DRAW, FEBRUARY 20-27, 2014 [IWOV-Legal.FID1640195]

No let's keep it low key and not really formal but get Canada a response so I can keep it contained for you at something less than formal.



From: JamesMeaney@nalcorenergy.com [mailto:JamesMeaney@nalcorenergy.com]

Sent: Tuesday, February 18, 2014 12:37 PM

To: Manzer, Alison

Subject: RE: LOWER CHURCHILL; NALCOR; DRAFT OF TEXT PERTAINING TO CLAIM FOR CHOOO6, BULK

EXCAVATION; THIRD DRAW, FEBRUARY 20-27, 2014 [IWOV-Legal.FID1640195]

OK...just to confirm, should we treat this "draft text" as being formally tabled by the IE with an expectation by Canada for an official response?

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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

From: "Manzer, Alison" amanzer@casselsbrock.com

To: "JamesMeaney@nalcorenergy.com" < JamesMeaney@nalcorenergy.com>

Date: 02/18/2014 12:09 PM

Subject: RE: LOWER CHURCHILL; NALCOR; DRAFT OF TEXT PERTAINING TO CLAIM FOR CHOOO6, BULK EXCAVATION; THIRD

DRAW, FEBRUARY 20-27, 2014 [IWOV-Legal.FID1640195]

Rey is hit and miss re emails – and addressing – I am getting to Nik to say how do we get a good assessment and when is the team changing – perhaps formulate a response and send to me for suggestions before responding to the whole?



Alison Manzer

Direct: 416 869 5469 • Fax: 416 350 6938 •

amanzer@casselsbrock.com

2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2

www.casselsbrock.com

From: <u>JamesMeaney@nalcorenergy.com</u> [<u>mailto:JamesMeaney@nalcorenergy.com</u>]

Sent: Tuesday, February 18, 2014 10:33 AM

LOWER CHURCHILL PROJECT

To: Manzer, Alison

Subject: Fw: LOWER CHRUCHILL; NALCOR; DRAFT OF TEXT PERTAINING TO CLAIM FOR CHOOO6, BULK

EXCAVATION; THIRD DRAW, FEBRUARY 20-27, 2014

I find it odd that he did not include Nik on this correspondence? I am following up with the Project team and we'll respond accordingly, but to clarify I don't think we called the claim "frivolous" at the meeting but rather unsubstantiated as at the time the Contractor had not produced any data to support their claim.

James Meaney, CFA
General Manager Finance

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---- Forwarded by James Meaney/NLHydro on 02/18/2014 11:59 AM -----

From: Reynold Hokenson < Reynold.A.Hokenson@mwhglobal.com >

To: "Newman, Charles (<u>CNewman@CasselsBrock.com</u>)" < <u>CNewman@CasselsBrock.com</u>>, "<u>JamesMeaney@nalcorenergy.com</u>"

<JamesMeanev@nalcorenergv.com>

Cc: "Kapoor, Anoop (Anoop.Kapoor@NRCan-RNCan.gc.ca)" <Anoop.Kapoor@NRCan-RNCan.gc.ca>, "Krupski, Joseph (Joseph.Krupski@NRCan-RNCan.gc.ca>, "Abudulai, Suhuyini (sabudulai@casselsbrock.com)" <sabudulai@casselsbrock.com>, "Manzer, Alison (amanzer@casselsbrock.com)" <amanzer@casselsbrock.com>, Nalcor Energy IE & O&M sm-am-ca-IE-OM-Nalcor@us.mwhglobal.com>, Mary Edwards mwhglobal.com>, Celeste Christensen @mwhglobal.com>

Date: 02/18/2014 11:47 AM

Subject: LOWER CHRUCHILL; NALCOR; DRAFT OF TEXT PERTAINING TO CLAIM FOR CHOOO6, BULK EXCAVATION; THIRD DRAW,

FEBRUARY 20-27, 2014

Hi Charles and James,

I have included a brief memo concerning the Bulk Excavation Contractor's (s) Monthly Progress Reports-November 2013 that indicates that the claims that have been mentioned in the Construction Report apparently are still pending and appear to potentially be increasing. We were told at our meeting in St. John's that the claims were frivolous, but apparently this is not the case.

MWH would like to learn more about the claims, but in particular the large claim involving surface preparation and placing mudslabs in the powerhouse and spillway area. We anticipate that this information can be furnished prior to the IE's issuance of the certificates for the third draw and that the December 2013 Contractor's Monthly Progress Report for CH0006 will be furnished soon.

Regards,

Rey

February 18, 2014

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