

**From:** [jamesmeaney@lowerchurchillproject.ca](mailto:jamesmeaney@lowerchurchillproject.ca)  
**To:** [edbush@lowerchurchillproject.ca](mailto:edbush@lowerchurchillproject.ca)  
**Subject:** Re: Oversight Committee Request  
**Date:** Wednesday, December 17, 2014 3:05:47 PM

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OK...at my desk. The challenge is its hard to educate people who don't want to (or know how to) listen :)

**James Meaney**

**General Manager Finance**

**PROJECT DELIVERY TEAM**

**Lower Churchill Project**

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

e. [JamesMeaney@lowerchurchillproject.ca](mailto:JamesMeaney@lowerchurchillproject.ca)

w. [musktratfalls.nalcoreenergy.com](http://musktratfalls.nalcoreenergy.com)

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Ed Bush---12/17/2014 02:16:50 PM---From: Ed Bush/NLHydro To: James Meaney/NLHydro@nlhydro,

From: Ed Bush/NLHydro

To: James Meaney/NLHydro@nlhydro,

Cc: George Chehab/LCP/NLHydro@nlhydro, Paul Harrington/NLHydro@nlhydro

Date: 12/17/2014 02:16 PM

Subject: Re: Oversight Committee Request

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I will come to see you when I am out of my change meeting. We need to educate the OC on the process and what they are looking at.

Ed Bush, MBA, P. Eng., PMP

Project Controls Manager

**PROJECT DELIVERY TEAM**

**Lower Churchill Project**

t. 709-733-5230 c. 416-577-9769

e. [EdBush@lowerchurchillproject.ca](mailto:EdBush@lowerchurchillproject.ca)

w. [muskratfalls.nalcorenergy.com](http://muskratfalls.nalcorenergy.com)

On Dec 17, 2014, at 1:46 PM, James Meaney <[JamesMeaney@lowerchurchillproject.ca](mailto:JamesMeaney@lowerchurchillproject.ca)> wrote:

Ed/George

Paul and I just got off the phone with OC folks. Hoping you can help on some TTD Sept 2014 incurred cost figures:

1) MF - Incurred costs are \$5m above plan of \$1,065m. Is there any specific activities we can attribute this variance to or can we say cost variances were less than \$xxx for any single activity. We questioned the materiality of this, but they are adamant for some reason.

2) LIL - Incurred costs are \$21m above plan of \$410m. We provided text below. Can you advise what's the \$ amount associated with Transition Compounds and if there are any other activities driving a significant portion of the \$21m.

3) LTA - Incurred costs are \$15m below plan of \$264m. Similar question as LIL. Can you advise what's the \$ amount associated with AC trx construction and if there are any other activities driving a significant portion of the \$15m.

Need this info ASAP.

Thanks

Jim

**James Meaney**

**General Manager Finance**

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----- Forwarded by James Meaney/NLHydro on 12/17/2014 01:36 PM -----

From: James Meaney/NLHydro

To: [cmartin@gov.nl.ca](mailto:cmartin@gov.nl.ca),

Cc: Paul Harrington/NLHydro@NLHydro, Karen O'Neill/NLHydro@NLHydro, Ed Bush/NLHydro@NLHYDRO

Date: 12/16/2014 04:59 PM

Subject: comments

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Hi Craig

Pg 2 - \$1.3 billion represents Interest During Construction (IDC)/Allowance for Funds Used During Construction (AFUDC) plus other financing related amounts. It is not just IDC.

10 - "...lower the project cost and reduce risk **by allowing more time to complete stabilization work....**". The reason why cost/risk will be lowered already there. In response #1 on pg 27 you should update the 2nd sentence to also reflect this, ie. "...lower the project cost and reduce risk **by** allowing the contractor more time to complete stabilization work." instead of "...**and** allowing...". I think that may have been a typo on our part.

16 - With respect to LIL being ahead of plan on cost and progress, explanation as follows "**.....the cost and** schedule variance related primarily to work on the SOBI, particularly the Transition Compounds which had progressed ahead of schedule." You can then remove the next sentence.

17 - With respect to LTA being ahead of plan on progress and below plan on cost, explanation as follows "...the schedule variance related primarily to work at the Churchill Falls Switchyard which was progressing ahead of schedule. **The cost variance related primarily to lower than planned expenditures in the current year for HVac transmission line construction.**"

30 - While I believe the progress reports you reviewed group "Powerhouse and Intake and Spillway **Gates**" together, it might be best to remove the reference to "Gates". The Powerhouse, Intake & Spillway is contract CH0007 with Astaldi,

however, the Gates is actually a separate contract CH0032 with Andritz. Minor point of clarification.

Regards

Jim

**James Meaney**

**General Manager Finance**

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