

Marshall talks oversight, oversight and more oversight on Muskrat Falls

1 Aug 2014 The Telegram (St. John's) BY JAMES MCLEOD jmcleod@thetelegram.com Twitter: TelegramJames

Premier Tom Marshall rattled off a laundry list of oversight mechanisms in place for the Muskrat Falls project, assuring people that the \$8.5-billion mega-venture is being properly managed.

“There’s a massive amount of oversight already being done,” he said. “Everything we can possibly be doing is being done.”

Thursday morning, Marshall was speaking to the media about the Muskrat Falls Oversight Committee chaired by the government’s top bureaucrat and made up of many of the most senior members of the civil service.

All of this comes a few months after The Telegram reported that the only independent agent doing ongoing Muskrat Falls oversight had written a report about the project and the provincial government hadn’t even asked to see a copy of it.

In February, Natural Resources Minister Derrick Dalley said he didn’t feel he needed to see the report of the Muskrat Falls independent engineer, appointed as a condition of the federal loan guarantee, because he was already confident with what Nalcor officials were telling him.

“The independent engineer is providing the oversight,” Dalley said at the time. “Beyond that, we don’t have anyone in place to provide oversight over the construction.”

But this week, Marshall said that Nalcor’s internal and external auditors are providing oversight. He said Emera, the Nova Scotia company building the Maritime Link, is serving as a form of oversight.

Marshall mentioned SNC Lavalin, the company hired by Nalcor to do engineering, procurement and construction, saying it’s doing a form of oversight.

On top all that, Marshall said the auditor general — who, to date, has not examined Muskrat Falls — could potentially provide oversight.

And also, that opposition questions in the House of Assembly serve as the “ultimate accountability” when it comes to project oversight.

During the news conference, Dalley offered that there had also been oversight in the past, when various consulting firms studied the project plan before sanction.

Dalley said the Board of Commissioners of Public Utilities had provided oversight, although the government limited the scope of its review and ultimately the board refused to certify Muskrat Falls as the least-cost source of electricity for the province.

Despite all of the oversight that Dalley and Marshall now say is in place, the government added another layer, following public concerns flowing from Dalley's comments about not needing to read the independent engineer's reports.

The first report from the Muskrat Falls Oversight Committee doesn't do much more than establish that it will receive unfettered information from Nalcor, members will work in consultation with the independent engineer, and they'll provide quarterly reports from now on.

The committee will look at risks which threaten to throw the project off schedule or over budget.

Already, it has asked Nalcor's external auditor, Deloitte, to do more detailed examinations of financial information around the Muskrat Falls portion of company operations.

And it's promising to provide quarterly updates on overall project cost estimates and timelines.