

Project Change Notice

PCN-0632 CD0501/CD0502/CD0504 - Strategy for Transfers of Budget relating to Converter Station and ac Switchyard Civil Works

Section 1: Request for Proposed Change

<p>CM X-Ref. DAN-1931, DAN-1941, PCN-0630, PCN-0619</p> <div style="border: 1px solid black; height: 100px; width: 350px; margin-top: 5px;"></div>	<p>Date Originated 8 Apr 2016</p> <p>Originator Amanda Batten</p> <p>Package Leader / Engineer <input type="text"/></p> <p>Area Manager <input type="text"/></p> <p>Scope / Project Manager Darren DeBourke</p> <p>Current Status Under Review</p> <p>Revision 0</p> <p>TL 267 Project <input type="checkbox"/></p>
<p>Origin</p> <p><input checked="" type="checkbox"/> Internal PMT <input type="checkbox"/> Contractor/Supplier</p> <p><input type="checkbox"/> Other Nalcor <input type="checkbox"/> Construction Site Event</p> <p><input type="checkbox"/> SNC-Lavalin <input type="checkbox"/> Other External <input type="text"/></p>	

Agreement No.	Description
CD0501	Supply and Install Converters and Cable Transition Compounds (EPC)
CD0501-001	Supply and Install Converters and Cable Transition Compounds (EPC)
CD0501-002	Geotechnical Services
CD0502	Construction of AC Substations
CD0502-001	Construction of AC Substations
CD0504	Civil Works and Building Scope for the Converter Stations and Switchyards
CD0504-001	Civil Works and Building Scope for the Converter Stations and Switchyards - Soldiers Pond
CD0504-002	Civil Works and Building Scope for the Converter Stations and Switchyards - MF & CF

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Description

This PCN is required for the approval of a strategy changes with respect to the transfer of budget between CD0504, CD0501 and / or CD0502

Negotiation between GE/Alstom and Company and the approval of PCN-0630 - CD0501/CD0502 - Civil Contracting Strategy Change and Resolution of Other Outstanding Major Change Orders have resulted in the transfer of all remaining CD0504 - Civil Works and Building Scope for the Converter Stations and Switchyards scope and budget back to the CD0501 - Supply and Install Converters and Cable Transition Compounds (EPC) and CD0502 - Construction of AC Substations Agreements. The awarded civil work contracts CD0504-001 and CD0504-002 will remain as LCP contracts under the commitment package CD0504.

As such, all future changes to the CD0504-001 and CD0504-002 contracts will result in a change to the CD0501-001 or CD0502-001 contracts. Whenever there is a positive value change order for CD0504-001 or CD0504-002, there will be an equivalent negative change order required for the CD0501-001 and / or CD0502-001 contract along with a budget transfer between CD0501-001 and / or CD0502-001 to CD0504.

In order to facilitate this process, *for each instance,* this PCN is requesting the approval to allow the transfer of budget for the reasons noted above without an approved PCN but rather utilizing scope specific DANs with a budget transfer report attached. All budget transfers will be signed off by Budget Holder, LCP Cost Control Lead and the HVdc Project Controls Lead; these sign offs will be attached the specific DANs. An internal log will also be maintained to track all budget transfers to and from the affected packages. Once these contracts have been completed and closed, this PCN will be revised to capture the details of all budget transfers related to the CD0504-001 and CD0504-002 contracts.

This PCN strategy will only be used for package to package transfers and will not
Rationale *Draw from Contingency or XD accounts.*

Through the approval of this PCN, the change management implications relating to the transfer of budgets will be removed for all cost neutral changes between CD0504, CD0501 and /or CD0502.

Benefits

This change will allow for consistency between the HVdc Specialties Component and the Overland Transmission (OTL) Component where frequent transfers of budgets are required within the Component. PCN-0619 - C4 Backcharges is currently under development by the OLT Component to approve their strategy regarding transfers of budget.

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Section 2: Impact of the Proposed Change to Project

Categorization

- Scope Addition/Deletion
- Scope Modification
- Non-Scope Change

Affected Project Component

- Muskrat Falls Generation
- Labrador Transmission Assets
- Labrador - Island Tx Link
- Maritime Link
- Nalcor PM
- Other

Cost Control Account Summary

Cost Control Account	Description	Estimated Cost
		Total Estimated Cost

Direct and Indirect Impact by Change Analysis Team

Basis of Design

Construction

Contracts/Procurement

The CD0504-001 or CD0504-002 contractor will be issued a change order for any additional scope by LCP; simultaneously LCP will issue a negative change order for the same value to either the CD0501-001 and / or CD0502-002 contractor.

Requisitions are to be updated as required.

Cost Control

Reviewed By *Amenda Batten*

Date Reviewed: *21-Apr-2016*

Budget transfers will be required as change orders related to the civil works contracts CD0504-001 and CD0504-002 are issued.

All budget transfers will be signed off by Budget Holder, LCP Cost Control Lead and the HVdc Project Controls Lead; these sign offs will be attached to the specific DANs.

Budget transfers will be documented in scope specific DANs with an approved scope change report attached.

An internal log will be maintained to track all budget transfers documented through DANs.

Design Philosophy

Environment and Regulatory Comp.

Execution Approach

This approach will remove the requirement to have scope specific PCNs for all transfers of budget associated with cost neutral changes between CD0504 and CD0501 and /or CD0502.

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<input type="checkbox"/>	Health & Safety	
<input type="checkbox"/>	Operations/Reliability	
<input type="checkbox"/>	Property and Lands	
<input type="checkbox"/>	Quality	
<input type="checkbox"/>	Reputation	
<input checked="" type="checkbox"/>	Schedule	Reviewed By <i>Lynn Moriarty</i> Date Reviewed: <i>25-Apr-2016</i>
No schedule impact.		
<input type="checkbox"/>	Other	

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Section 3: Risk Screening

N/A: <input checked="" type="checkbox"/>	Low	Medium	High	Comments
Risk Pre-Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Change required in order to implement execution and commercial strategy as an opportunity to enhance Company change management process for these indicated commitment packages. Opportunity identified and approved through PCN-0630.
With Proposed Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>[Signature]</i> Risk Coordinator	<i>28 Apr. 2016</i> Date			

* Reference Project Risk Management Plan for risk screening guidelines.

Whereas a risk assessment is not appropriate / applicable to this change, completion of the risk matrix is not required and therefore not included in this PCN printout.

Section 4: Implementation Plan

Implementation Strategy

A DAN will be raised once a deviation from the current scope of either contract CD0504-001 or CD0504-002 has been identified to initiate the budget transfer.

Budget transfers will be required as change orders related to civil work contracts CD0504-001 and CD0504-002 are issued. All budget transfers will be signed off by Budget Holder, LCP Cost Control Lead and the HVdc Project Controls Lead; these sign offs will be attached to the specific DANs. An internal log will also be maintained to track all budget transfers to and from the affected packages. An approved scope change report to document the budget transfer will be attached to the applicable DAN.

The CD0504-001 or CD0504-002 contractor will be issued a change order for the additional scope by LCP; simultaneously LCP will issue a negative change order of the same value to the CD0501-001 and / or CD0502-002 contractor. Requisitions will be updated as required.

All DANs related to the scope noted above will be linked to this PCN.

Reviewed by:

<i>Melissa Coombs</i>	<i>C3 - Change of Interface Eng</i>	<i>21-APR-2016</i>
<i>Dino Lioke</i>	<i>Deputy Project Manager HVdc Specialist</i>	<i>21-Apr-2016</i>
<i>Orlando Sessalle</i>	<i>CONTRACT ADMINISTRATOR</i>	<i>26-Apr-2016</i>
<i>Anthony Dickman</i>	<i>Contract Administrator</i>	<i>26-APR-2016</i>
<i>Janya Power</i>	<i>C3 Project Controls Lead</i>	<i>26-Apr-2016</i>

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Actions

Action	Actionee	Status
Ensure all related DANs are linked to PCN	Melissa Coombs	Incomplete
Revise PCN with actual budget transfers once scope is completed.	Amanda Batten	Incomplete
Create and maintain internal log to track budget transfers	Amanda Batten	Incomplete

Documents

Name	File Name
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Process References

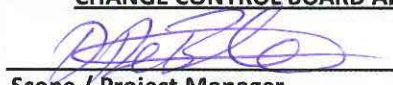


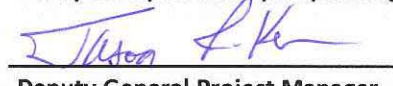
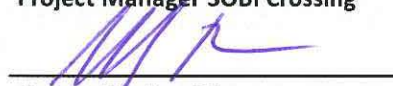

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Section 5: Distribution

- | | |
|---|--|
| <input checked="" type="checkbox"/> Originator | <input checked="" type="checkbox"/> Project Director |
| <input checked="" type="checkbox"/> Package Leader/Engineer | <input type="checkbox"/> System Planning (Nalcor) |
| <input checked="" type="checkbox"/> Area Manager | <input type="checkbox"/> Operations |
| <input type="checkbox"/> PM - Muskrat Falls Generation | <input type="checkbox"/> MF Site Manager |
| <input checked="" type="checkbox"/> PM - HVdc Specialties and Switchyards | <input type="checkbox"/> Construction Manager |
| <input type="checkbox"/> LILCo Manager | <input type="checkbox"/> Other |
| <input type="checkbox"/> PM TL Construction / Execution | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Project Controls Manager | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Supply Chain Manager | <input type="checkbox"/> Other |
| <input type="checkbox"/> HSS & ER Manager | <input type="checkbox"/> Other |
| <input type="checkbox"/> Quality Manager | <input type="checkbox"/> Other |
| <input type="checkbox"/> Envir. & Regul. Compliance Manager | |
| <input type="checkbox"/> Business Services Manager | |
| <input type="checkbox"/> Ready for Operations (RFO) Manager | |
| <input checked="" type="checkbox"/> Deputy General Project Manager | |
| <input type="checkbox"/> Project Manager SOBI Crossing | |
| <input checked="" type="checkbox"/> General Project Manager | |
| <input type="checkbox"/> Finance Manager | <input checked="" type="checkbox"/> Vice President |

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Section 6: Acceptance Phase

Decision			
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Rejected/Cancelled	Decision Date	03-May-2016
<u>CHANGE CONTROL BOARD APPROVAL</u>			
<input checked="" type="checkbox"/>	 Scope / Project Manager	<u>26 APR 2016</u> (Date)	<input type="checkbox"/> _____ Nalcor System Planning (Date)
<input checked="" type="checkbox"/>	 Project Controls Manager	<u>28-Apr-16</u> (Date)	<input type="checkbox"/> _____ Operations Engineering Lead (Date)
<input checked="" type="checkbox"/>	 Supply Chain Manager	<u>29 Apr 2016</u> (Date)	<input type="checkbox"/> _____ Other Approval 1 (Date)
<input type="checkbox"/>	_____	(Date)	<input type="checkbox"/> _____ Other Approval 2 (Date)
<input type="checkbox"/>	HSS & ER Manager	(Date)	<input type="checkbox"/> _____ Other Approval 2 (Date)
<input type="checkbox"/>	_____	(Date)	<input type="checkbox"/> _____ Other Approval 2 (Date)
<input type="checkbox"/>	Quality Manager	(Date)	<input type="checkbox"/> _____ Other Approval 2 (Date)
<input type="checkbox"/>	_____	(Date)	
<input type="checkbox"/>	Envir. & Regul. Compliance Manager	(Date)	
<input type="checkbox"/>	_____	(Date)	
<input type="checkbox"/>	Business Services Manager	(Date)	
<input type="checkbox"/>	_____	(Date)	
<input type="checkbox"/>	Ready for Operations (RFO) Manager	(Date)	
<input checked="" type="checkbox"/>	 Deputy General Project Manager	<u>1-MAY-2016</u> (Date)	
<input type="checkbox"/>	_____	(Date)	
<input type="checkbox"/>	Project Manager SOBI Crossing	(Date)	
<input checked="" type="checkbox"/>	 General Project Manager	<u>01-May-2016</u> (Date)	
<input type="checkbox"/>	_____	(Date)	<input type="checkbox"/> _____ V.P. - Lower Churchill Project (Date)
<input type="checkbox"/>	General Manager Finance	(Date)	<input type="checkbox"/> _____ CEO & Gatekeeper (Date)
<input checked="" type="checkbox"/>	 Project Director	<u>2 May 2016</u> (Date)	

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Section 7: Close-Out

Implementation Status Complete:

Signoff:

Change Management Lead:

Date:

Scope/Project Manager:

Date: