



LOWER CHURCHILL PROJECT – MUSKRAT FALLS
CH0007: COSTRUCTION OF INTAKE AND POWER
HOUSE, SPILLWAY AND TRANSITION DAMS

LTR-CH0007001-0030

December 9th, 2013

Nalcor Energy – Lower Churchill Project
c/o SNC-Lavalin Inc.
350 Torbay Road Plaza, Suite 2
St. John's, NL
A1A 4E1 Canada

Attention: Mr. Scott O'Brien
Cc: Mr. Guido Venturini
Mr. Andre Mosser
Mr. Mel Melhem
Mr. Ron Adamcyk

Subject: Approved for Construction Drawings

Dear Sir,

As per attached clause 3.8.1.1 page 22/23 "Scope of Work Specification" when can the contractor expect to receive the drawings?

Drawings "Issued for Construction" are not considered "Approved for Construction"

Attachment : Page 22/23 – "Scope of Work"

Sincerely,

Astaldi Canada Inc.

Goose Bay

A handwritten signature in black ink, appearing to read "Ken Chrystolor", is written over a horizontal line.

Project Manager

Astaldi Canada Inc. – LCP Muskrat Falls – CH0007 – Civil Works

Handwritten notes in a box:
 July 31 - Add 14
 ASB 16-29 -
 SEP 4-10-16-24
 ACK -

PROJECT STATUS AND CURRENT ISSUES

November 6th, 2011
 11:30 a.m. – Goose Bay, Nfld.

The key dates and events are as follows:

- April 2013 Astaldi submits proposal based on milestone dates provided by Nalcor. Proposal includes schedule for all of the Works.
- July 2013 Nalcor issues Addendum 14 – Milestone dates are changed. Astaldi updates the Project Schedule to reflect Addendum 14.

Key Milestone Dates – up to end of 2015

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|-------------|---|
| 15 Sep 2013 | LNTP |
| 31 Oct 2013 | Contract Award |
| 15 Nov 2013 | Spillway Site Shared Access Available |
| 30 Nov 2013 | Powerhouse Site Shared Access Available |
| 01 Jan 2014 | Spillway Site Ready for Unrestricted Work |
| 01 Jan 2014 | Powerhouse Site Ready for Unrestricted Work |


There are no milestone dates for completing any work in 2014

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|-------------|--|
| 15 Feb 2015 | Spillway 2/3 of work completed |
| 31 Jul 2015 | Spillway remaining 1/3 of work completed |
| 31 Jul 2015 | Powerhouse South service bay ... |
| 30 Sep 2015 | Powerhouse Unit 1... ✗ |
| 11 Nov 2015 | Powerhouse Unit 2... ✗ |
| 12 Dec 2015 | South Transition Dam ✗ |

- 24 Sep 2013 Nalcor and Astaldi sign LNTP for Initial Works. No change to milestone dates or schedule. The LNTP expires on **31 Oct 2013**.
- 18 Oct 2013 Astaldi presents an unofficial schedule for Early Works to Nalcor for comments. (Astaldi did not respect the dates on this schedule.)
- 30 Oct 2013 Astaldi officially issues its schedule for Early Works through Aconex. (AS AT 06 NOV 2011 WE ARE SHOWING SOME DELAYS RELATIVE TO THIS SCHEDULE – PIERRE CIANNI IS REVIEWING THIS NOW – WILL HAVE BETTER UPDATE SHORTLY)
- 31 Oct 2013 Nalcor advised Astaldi (with 2 hours notice) that Nalcor cannot sign the contract. Nalcor and Astaldi sign Amendment to LNTP – extension to 30 Nov 2013. Gives Astaldi opportunity to add scope to Early Work in order to maintain schedule. States that contract terms still not all resolved.

From 24 Sep 2013 to present Astaldi has made progress on many fronts including: (WE ARE WORKING ON DETAILED REPORT ON THIS NOW – FOR INTERNAL REVIEW – WILL EXTRACT SUMMARY LEVEL REPORT THAT CAN BE SUBMITTED TO NALCOR)

- Planning for early works
- QHS&E (albeit, with issues)

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|---|--|----|-------------|------|
|  SNC • LAVALIN | Construction of Intake and Powerhouse, Spillway and Transition Dams SCOPE OF WORK SPECIFICATION | | | |
| | Nalcor Doc. No. MFA-SN-CD-3300-CV-SP-0001-01 | B9 | Date | Page |
| | SLI Doc. No. 505573-3331-41EW-0001 | 08 | 28-Jun-2013 | 22 |

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Drawings, registration and/or eligibility to register with the Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL). All calculations and such like shall be in accordance with Newfoundland and Labrador Regulations. Such approval by the Engineer does not change the full responsibility of the Contractor in the execution of the Work.

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3.6.3 The SubContractor may be requested to undertake its work or part of its work at the Work Site.

3.7 ENVIRONMENTAL REQUIREMENTS

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3.7.1 Contractor shall comply with the Technical Specification Section 01 35 43 – General Environmental Requirements (Exhibit 1) and Environmental and Regulatory Compliance Requirements (Exhibit 6).

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3.7.2 Prior to the start of Site work, the Contractor shall prepare a Work Specific Environmental Protection Plan (C-SEPP) for review and approval by the Engineer. The C-SEPP will detail the environmental protection measures that will be implemented by the Contractor for all components of the Work. The Contractor shall reference the General Environmental Requirements of the Specification, as well as Contract Drawings, as required. The template for preparation of the C-SEPP is attached in Exhibit 11-Company Supplied Documents.

3.8 DOCUMENTS

3.8.1 Drawings Provided to the Contractor

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3.8.1.1 The Drawings issued with the Request for Proposal (RFP) are intended to indicate the location, type and scope of work to be carried. They are not to be used for construction. At Effective Date, a schedule of issue of the Approved for Construction (AFC) Drawings will be provided. With those Drawings, the Contractor shall verify on Site all levels and dimensions before starting work and shall notify the Engineer of all differences and/or discrepancies with the Approved for Construction Drawings.

*Spillway
Note
Nov 15/2013*


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3.8.1.2 Before the beginning of the Work, the Contractor shall submit for the Engineer's approval, the Drawings required as per the Technical Specification and as provided in the SDRL (Exhibit 4- Supplier Document Requirement List). The Contractor shall submit for review by the Engineer all test certificates, purchase orders, Drawings and all details necessary for the execution of the Work as specified in the Technical Specification.

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3.8.1.3 The turnaround time for Engineer's review of Contractor's drawings is 21 calendar days.

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3.8.2 Drawings

3 1

3.8.2.1 The Drawings are included in Exhibit 1 and are listed in the Technical Document List, document number 505573-CH0007-40AL-I-0001.

3.8.2.2 The Drawings issued with the Request for Proposal are not to be used for Construction.

3.8.2.3 Contractor shall only execute the Work based on Approved for Construction Drawings.

3.8.3 Technical Specification

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The Technical Specification related to the Work is provided in Exhibit 1.