



LOWER CHURCHILL PROJECT – MUSKRAT FALLS

CH0007: CONSTRUCTION OF INTAKE AND POWER HOUSE, SPILLWAY AND TRANSITION DAMS

28. September. 2014

**Muskrat Falls Corporation
350 Torbay Road, Suite 2
St. John's, NL Canada
A1A 4E1**

ACI / MFC - 0138

Attention: Mr. D. Tranquilla

**Subject: LCP Muskrat Falls Contract No. CH0007
RE: Issue of Revised Construction Schedule**

Dear Mr. Tranquilla,

As per the last letter we have received (LTR-CH0007001-0283) concerning the "Baseline Control Schedule Conditional Acceptance", Astaldi Canada Inc. would like to emphasize that the comments are reaching to an endless process. Every time, our planning department resolve the comments as required by Company's team to get the baseline schedule approved, Astaldi receives new comments with a new deadline date. This process is draining the capacity of our planning department and distracting it from focusing on tracking site issues and needs.

Astaldi Canada Inc., believes the planning department was more than cooperative with the requirements asked by Company, though those requirements kept being changed and modified.

Astaldi Canada Inc., is responsible of its own schedule, and would like to put the efforts of the planning team where there is really a need.

The planning department is going to adjust and implement what is requested on your letter and would like to clarify the following points in the same order as presented on you letter(LTR-CH0007001-0283):

- 1- Concerning the first point structural steel sequence, the strategy has been discussed with Company lead site planner and lags have been put to split the delivery for different structures.
- 2- Astaldi Canada Inc., has treated the priority 1 Items as instructed and agreed with the company, and treated more than 90% of the Items related to priority 2 and 3.
- 3- Astaldi Canada Inc. has not duplicated the budget on the progress curve, the other issues are resolved.

A handwritten signature in blue ink, appearing to be the initials "W" followed by a diagonal slash.



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- 4- Winter effect calendars have been assigned to the pours driving the milestone M4B, in order to make this Milestone achievable.
- 5- Astaldi Canada Inc. will still need clarifications concerning the erection of the intake structure and the interferences with the other contractors. A 30 days duration is allocated to those structure for the moment, till more clarifications are provided.
- 6- The negative lags -888 have been removed, though there presence were justified by Astaldi planners to the Company team.
- 7- This issue has been treated and Astaldi Canada Inc. will make sure for the next Schedule submission it is verified, and it came out of the Company request to push the Data date, while Astaldi planning team advised that it was the middle of the month and progress was not yet collected.

Astaldi Canada Inc. is fully aware of the situation of the project and will try its best effort to make the contractual Milestone dates achievable.

As a conclusion, Astaldi Canada Inc. considers this submission as a final review, having followed all Company comments and instructions.

Yours sincerely,
Astaldi Canada Inc.

✶ Mr. J. Alves
Project Manager
Lower Churchill Project – Muskrat Falls



Cc: Mr. E. Lucchini; Mr. R. Hopkins; Mr. E. Violato GB/RJH – 11. September. 2014
Mr. G. Bader; Mr. F. Costa; Mr. T. Rana
Nalcor: Mr. A. Kelly; Mr. M. Melhem; Mr. H. Geres; Mr. P. Aucoin