

From: jasonkean@lowerchurchillproject.ca
To: [Lance Clarke](#); [Keith Dodson](#)
Cc: [Justin Dahl](#)
Subject: Re: EY Review
Date: Friday, January 8, 2016 12:05:05 PM

Keith,

We have a desire to undertake this current risk analysis update consistent with the general practices we historically used on the Project, specifically modelling each of tactical and strategic risk separately. This will allow us to demonstrate a consistent approach over the past number of years. While stating this, I appreciate that your work on the strategic front must leverage your customized modelling techniques, as well as the Westney's approach for presenting such risk events. I believe it is important to differentiate both "project contingency" and "financial exposure" for major events (such as a default by our powerhouse contractor) when computing and presenting the total cost exposure.

To this effect, we have prepared a review of the low/most likely / high exposure for outstanding tactical risks (e.g. snow clearing, TL foundation issues, etc.) across the Project as well as a view on our exposure to the 3 or 4 key strategic risks that exists. With respect to the latter, it is largely being influenced by the elephant in the room, however there are still others that must be considered in the analysis. We can have this information ready to send to you by Monday AM. As with the modelling Jack and I preformed in the past, we must be able to present the total project costs as well as cost for each of MF, LIL and LTA separately. Yes, more work, but essential.

With respect to time, we would like to present a curve for each of the (1) MF first power, and (2) Completion of LTA and LIL (thus allowing power from Churchill Falls to flow to the Island). This later item is presently on target for December 2017, however we do have schedule risk. We are presently finalizing input into a time model for both (1) and (2), with the expectation of having available by Monday.

Once you have had a chance to review the above, perhaps we can have a call to review any questions and ensure we are aligned.

Jason

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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Lance Clarke---01/07/2016 09:57:58 PM---From: Lance Clarke/NLHydro To: "Keith Dodson" <k_dodson@westney.com>

From: Lance Clarke/NLHydro

To: "Keith Dodson" <k_dodson@westney.com>

Cc: "Justin Dahl" <j_dahl@westney.com>, Jason Kean/NLHydro@nlhydro

Date: 01/07/2016 09:57 PM

Subject: Re: EY Review

Lets talk in the morning. I have further developments today.
Sent from my iPad

On Jan 7, 2016, at 9:03 PM, Keith Dodson <k_dodson@westney.com> wrote:

Lance,

We have gotten ourselves organized for this task. The Provincial website on the Oversight and EYs proposal was very helpful.

The situation is very similar to the nuclear power plant where we helped the project team prepare for a similar review by an oversight team from the US NRC and Congress.

In that case the VP in charge of the project was the face to the reviews and we worked to provide his support and documentation for defending the position. I would see Paul in a similar role at some point. Justin and I are dusting off our old templates and will begin a pro-forma deck to share with your team similar to what we did on Amaretto. This will allow us to work better over the distances and keep all in the loop. You will have to tell us who you want us to participate.

Dick Harding is coming to Houston on Tuesday and he and I will begin to build a Construction Time Risk Model of the the Powerhouse. We are going to need this to support our dates and ranging and make EY scramble for hard data.

Pete O is available toward the end of next week, and we are planning on him being in St Johns at least by the 18th until we finish.

Based on doing something similar, this will get intense for all of us in a week.

Please advise if we are off track, but knowing your schedule and the requirements here we are

moving ahead.

Best'

Keith Dodson
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