

From: [Richard Noble](#)
To: [David Steele](#)
Subject: Update
Date: Tuesday, November 25, 2014 8:52:23 AM

I have performed an initial review of Craig's draft report.

I have 15+ notes... most significantly:

- There is insufficient data to be able perform any useful analysis on Management's Forecast to Complete
- specifically there is no cross reference of expenditure versus schedule, substantiation of variance management/Final Forecast Cost or the adequacy of contingency
- The number craig uses for cost overruns (using a fraction of overall budget instead of fraction of expenditure to date) understate
- similarly on "Power house and intake" schedule saying 9% total work complete actual versus 12% planned suggests only 3% variance... it is in fact 25% variance on work complete to date... and given expenditure slight overrun... suggests cost too will be 25% over at completion.
- Context is that this divergence is occurring only 3 months after they rebaselined.

Overall it is not possible to give a clear picture... but there are some concerning trends.

Furthermore the format and style of the report does not give a strong direct impression... this is because he is having to use indirect material from Nalcor's own reports.

The lack of provision of data must be solved or the OC will not meet their mandate.

Furthermore... they have to review Project Controls at earliest opportunity to even judge the ability to use the data as provided.

Finally, the delay in securing this input from us has put them in a hole of having to delay the report... and then publish a "management reports that" with no effective analysis or challenge.

Given this is first review and the inferred trends from the data, the remedy has to be:

- 1 Project Controls Review
- 2 Provision of all required data... with interviews to review and verify.

This will not be solved by high level questions posed to Nalcor.

Will be an interesting call.

We may have to put this in writing.

R

Sent from my BlackBerry 10 smartphone on the Bell network.