

**From:** [David Steele](#)  
**To:** [Mullaley, Julia](#); [cdown@gov.nl.ca](mailto:cdown@gov.nl.ca)  
**Subject:** Status report  
**Date:** Saturday, January 23, 2016 10:27:00 AM  
**Attachments:** [Muskrat Falls Project Status Report WE 22 Jan 2016.pptx](#)  
[image003.jpg](#)

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Hello Julia and Charles,

Attached is a status report for the EY review of Muskrat Falls Cost and Schedule Forecast, week ending Jan 22.

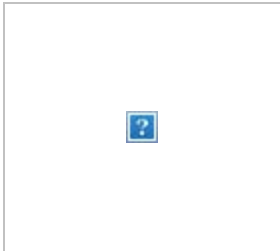
I had an opportunity to circle into our team yesterday afternoon to compile our collective thoughts. While I believe there is significant value that we can provide along the existing reporting timeline, there are a number of factors that are outlined in the status report that should be considered, as they will impact overall value of what and how we report results toward the end of February/early March.

I know we have a SC meeting scheduled for Feb 3, but I think it would be good if we have a meeting between the three of us early next week to explore the available options. I have some potential solutions I'd like to share. Please let me know your availability. Thank you.

Regards,

David

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**David Steele** | Partner | Advisory Services

Ernst & Young LLP  
Fortis Place, 5 Springdale Street, Suite 800, St. John's, Newfoundland and Labrador A1E  
0E4, Canada

Office: +1 709 570 8264 | Cell: +1 709 769 2080 | [David.Steele@ca.ey.com](mailto:David.Steele@ca.ey.com)

Website: <http://www.ey.com>

Melanie Brooks | Phone: 1 709 726 2840 | [melanie.brooks@ca.ey.com](mailto:melanie.brooks@ca.ey.com)

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# Lower Churchill Project Review

## Weekly Status Report

Week ending – Jan 22, 2016

# Overall Project Status

as of Jan 22, 2016

CIMFP Exhibit P-03352

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	On track
	Attention needed
	Significant risk

Week ending	January			February				March	
	15	22	29	5	12	19	26	4	11
Progress									

Current project stage: Project mobilization and Data collection	Schedule	Scope	Budget
<p>Two weeks looking back:</p> <ul style="list-style-type: none"> <li>▶ First round of interviews and background presentations have been conducted                             <ul style="list-style-type: none"> <li>▶ Kick-off meeting with Nalcor on 12 January</li> <li>▶ Project presentations (MFG, Overland Transmission, HVdc, SOBI) on 13 &amp; 14 January</li> <li>▶ One on One discussions with Nalcor Executives on 19 January</li> <li>▶ Additional detailed sessions with Nalcor conducted 19 and 20 January</li> </ul> </li> <li>▶ The provision of data in accordance with EY request list is ongoing                             <ul style="list-style-type: none"> <li>▶ Data room set up and data is being populated</li> </ul> </li> </ul> <p>Next week looking forward:</p> <ul style="list-style-type: none"> <li>▶ Begin detailed analysis of cost and schedule data provided by Nalcor</li> </ul>			
Key items (I) and risks (R) for attention			
<ul style="list-style-type: none"> <li>▶ (R) Data Collection – Substantive elements of original data request are still outstanding</li> <li>▶ (R) Review of the Astaldi contracts/details is delayed until finalization of negotiations expected early Feb 2016</li> <li>▶ (R) Nalcor is planning a full quantitative risk assessment (QRA) following the Astaldi negotiation</li> <li>▶ (I) QRA for LTA and LITL due to be completed by Nalcor (Westney) in 2 weeks (early February)</li> </ul> <p>Reference the following slides for detailed descriptions, mitigation, and actions for the above items.</p>			

Risks – New/open/closed							
Ref	Status	Title	Description	Impact	Mitigation	Owner	Action Taken
R001	New	Data collection	Substantive elements of original data request (issued late Dec 2015) had not been received this week despite the finalization of the SOW and NDA on Monday, Jan 18.	Original data request was targeted for January 11. Further delays in receipt could negatively impact our reporting schedule (extended) and overall cost of our engagement	Escalate with Nalcor representatives to receive data asap on Jan 22..  Ongoing - Monitor progress closely, escalate to GNL if necessary.	EY	Discussion/email with Nalcor on Jan 22, information is flow has increased substantially throughout the day of Jan 22.
R002	New	Astaldi Negotiations	Review of the Astaldi contracts and detailed information is delayed until finalization of negotiations expected early Feb 2016. By the time this is finalized and synthesized by Nalcor for communication/ sharing, we could find ourselves to late February.	Results of the EY review may not reflect an integrated understanding of the reasonableness of costs and schedule forecast for certain components of the Muskrat Falls Project. EY reporting on outdated information for the impacted group of contractors will be of less value to GNL.	TBD - Discuss the limitations that this places on the report that EY can produce within existing timeline.  Points to consider: There may be a need for interim EY reporting at the end of February, and a bridge (updated report for later in March).  The overall rhythm/ sequencing of reporting by Nalcor on the results of their work and the reporting by EY/GNL needs further consideration in order to provide the most useful report by EY to GNL.	EY	Arrange a meeting to discuss with project sponsor and SC (Feb 3 SC meeting scheduled, but a meeting should happen early next week to discuss options)
R003	New	Full Quantitative Risk Assessment (QRA)	Full quantitative risk assessment (QRA) following the Astaldi negotiation is expected to complete end of March (i.e. outside timeframe of this review).	Results of the EY review may not reflect an integrated understanding of the reasonableness of costs and schedule forecast for certain components of the Muskrat Falls Project. EY reporting on outdated information for the impacted group of contractors will be of less value to GNL.	Reference mitigation R002.	EY	Arrange a meeting to discuss with project sponsor and SC (Feb 3 SC meeting scheduled, but a meeting should happen early next week to explore options)

Issues – New/open/closed							
Ref	Status	Title	Description	Impact	Resolution	Owner	Action Taken
I001	Open	LTA and LITL QRA	Nalcor's quantitative risk assessment (QRA) for LTA and LITL due to be reported by Nalcor in 2 weeks time (early February).	EY analysis of these Project components will only be fully completed once QRA is complete by Nalcor. Therefore, EY analysis will be mid to late February, putting it closer to the anticipated final reporting period.	Monitor closely and integrate into EY analysis when available.	EY	Monitor closely and report at Feb 3 SC meeting.

### Action Items – New/open/closed

Ref	Description	Owner	Due Date	Status
A001	SOW signed by Clerk of the Executive Council	Julia Mullaley	15 January 2016	Closed
A002	NDA signed by EY	David Steele	18 January 2016	Closed
A003	EY to prepare and sign Ring Fence Procedures for each team member	David Steele	20 January 2016	Closed
A004	EY to discuss appropriate workspace at Nalcor Office	Tim Calver	15 January 2016	Closed
A005	Nalcor to schedule meetings for Round 1 of interviews and deep dive discussions	Steve Pellerin	20 January 2016	Closed
A006	Nalcor to schedule Round 2 interviews and deep dive discussions for week beginning 25 January	Steve Pellerin	24 January 2016	Open
A007	Nalcor to send through remainder of the data request of late December 2015	Steve Pellerin	22 January 2016	Open