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**Subject:** RE: Equity Funding Protocol  
**Date:** Wednesday, November 13, 2013 11:08:00 AM  
**Attachments:** [image001.jpg](#)

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Hi Mark et al

I have been given instructions to expedite the conclusion of this process in anticipation of the proclamation of Bill 61 and the public attention that will likely be focused on the project as a result. I would note that in our last meeting on the subject, we spent a considerable amount of time talking about alternative processes for independent review but very little time on the actual information to be reported. At the time, I believe a proposed reporting format had been developed and was being reviewed by Nalcor Senior Management / CEO. However, we have not been advised as to what the outcome of this review was nor been provided with any reporting formats. However, I think we need to get a sense of the specific reporting deliverables so that we can advance this issue.

From a process point of view, I think we need to focus on the alternative of independent review being provided by an oversight committee comprised of senior provincial officials. I think it would be fair to say that this Committee's mandate would go well beyond reviewing support for equity requests. It would be more along the lines of a cost accountability and financial reporting protocol with agreed reporting formats and regular timing. I believe this would be consistent with your understanding of the Province's requirements.

In an effort to move this towards a conclusion, are you now in a position to share your views on what information should or could be reported? In order to provide some structure around this discussion, you may wish to consider the following for inclusion in a regular reporting protocol:

- Current estimates of total project costs and comparison to budget / DG 3 with explanations for all material deviations.
- Project costs incurred to date including a breakdown by funding source.
- Value of contracts awarded – current and cumulative.
- Status of project financing including details on drawdowns of funds.
- Details of tendered but not yet awarded contracts along with expectations as to award.
- Update on project scheduling including information on variations from plan.
- Status of potential contingencies or cost overruns that have not yet been realized / quantified.
- Other qualitative commentary on project process, significant developments and details of potential issues that may become public over the short to medium term, including communication strategies related thereto.
- Any other information that Nalcor management thinks the Committee should be made aware of.
- Copies of all internal audit reports.
- Copies of all Independent Engineer reports and related certifications.

- Such other information as the Committee might from time to time require.

I would note that the above points are an attempt to start a conversation on specifics but should not be considered a complete or definitive listing of what should be reported as this will likely be an evolutionary process that will take a little time to finalize. We all just need to collectively get on with it. I look forward to your comments as to how we might accomplish this expeditiously.

Paul

**From:** MBradbury@nalcoreenergy.com [mailto:MBradbury@nalcoreenergy.com]  
**Sent:** Monday, October 28, 2013 3:32 PM  
**To:** Morris, Paul J.  
**Cc:** Myrden, Paul; ScottPelley@nalcoreenergy.com; RobHull@nalcoreenergy.com; JamesMeaney@nalcoreenergy.com; KentLegge@nalcoreenergy.com; DawnDalley@nalcoreenergy.com  
**Subject:** Equity Funding Protocol

Hi Paul

The Cabinet Directive in this matter was twofold:

1. Independent process to review costs (IPR) associated with the MF Project to determine the reasonability of costs incurred and:
2. Public reporting,

In respect to Item # 1, we have mapped out 3 alternatives for you to consider. Regarding Item # 2, we have put some thought into possible report content, but as yet have not agreed internally on actual format. We would like an opportunity to meet with you to bring you up to speed on our work to date and to obtain your feedback.

In terms of available times, I can suggest the following:

Tomorrow afternoon  
Wednesday afternoon 1:30 -2:30 PM  
Thursday 9 - 10 AM

Would any of these times work for you?

Mark

