

From: koneill@nlh.nl.ca
To: [Newhook, Tina](#)
Subject: Re: FW: Additional QA: Can you please provide responses to these questions?
Date: Wednesday, July 30, 2014 4:41:03 PM

Slight revision to the second answer:

Releasing costs at that time **could** have been harmful to the financial position of **the project** and by extension of the people of the province. Protecting the commercial information at our corporation protects the interests of Newfoundlanders and Labradorians. **At that time, there were contract negotiations ongoing and releasing this updated capital cost information could have impacted Nalcor's ability to obtain the best prices for some contracts and this ultimately could have had an impact on the final cost of the project.**



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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?

"Williams, Tina" ---07/30/2014 04:15:46 PM---To confirm language and to make sure you are ok with these: What portion of the \$788 million increas

From: "Williams, Tina" <TinaWilliams@gov.nl.ca>

To: "KONeill@nlh.nl.ca" <KONeill@nlh.nl.ca>

Date: 07/30/2014 04:15 PM

Subject: FW: Additional QA: Can you please provide responses to these questions?

To confirm language and to make sure you are ok with these:

What portion of the \$788 million increase announced by Nalcor on June 26, 2014, was already known and included in the \$6.5 billion figure?

\$341 million of the \$788 million was the amount between the DG3 estimate and the revised capital cost estimate in December 2013.

Following up on Paul's comment, we should ask Nalcor to provide a clear example of how the release of the \$6.5 could have had negative impacts so we have a clear example for the public.

Releasing costs at that time would have been harmful to the financial position of Nalcor and by extension of the people of the province. Protecting the commercial information at our corporation protects the interests of Newfoundlanders and Labradorians. At that time, there were contract negotiations ongoing that could have had an impact on the final cost of the project.

From: Martin, Craig
Sent: Wednesday, July 30, 2014 3:22 PM
To: Morris, Paul J.; Boland, Christine; Williams, Tina
Subject: RE: Additional QA: Can you please provide responses to these questions?

Tina,

I'd anticipate we may also get a question as to:

- What portion of the \$788 million increase announced by Nalcor on June 26, 2014, was already known and included in the \$6.5 billion figure?

We'll need to confirm with Nalcor, but I believe the dome was part of the \$6.5 billion as well as some other increases.

Craig

From: Morris, Paul J.
Sent: Wednesday, July 30, 2014 2:37 PM
To: Boland, Christine; Williams, Tina; Martin, Craig
Subject: RE: Additional QA: Can you please provide responses to these questions?

Tina,

A couple of points:

- We probably shouldn't say the Premier and Cabinet were only made aware one day before the announcement – just say the Premier and Cabinet were made aware before the announcement.

- The "we" refers to Nalcor – that should also be changed

- Nalcor should be asked for examples as to why the \$6.5 was commercially sensitive and to confirm the answers even though they are directed to the PG.

Paul

From: Boland, Christine
Sent: Wednesday, July 30, 2014 2:14 PM
To: Williams, Tina; Morris, Paul J.; Martin, Craig
Subject: RE: Additional QA: Can you please provide responses to these questions?

For your review and input, please see suggested text below.

Christine

From: Williams, Tina
Sent: Wednesday, July 30, 2014 1:18 PM
To: Morris, Paul J.; Martin, Craig; Boland, Christine
Subject: Additional QA: Can you please provide responses to these questions?

When did the PG know about the \$6.5 million?

• **The Provincial Government became aware of the \$6.5 M figure during finalization of the Federal Loan Guarantee in December 2013.**

Why did the PG not publicly release this figure?

- We have indicated for several months now that there was a possibility of an increase in cost for the Muskrat Falls Project.
- The Provincial Government did not release the \$6.5 M figure during December 2013 as Nalcor was still in the process of negotiating and awarding a number of contracts. Releasing this figure may have negatively impacted their negotiating strength and wanted to ensure we secured the best value for ratepayers.
- Given these contracts are now in place for the majority of the work, we are in a position to provide a final and accurate update with more information being known.

Was the PG aware of this before Nalcor's cost update announcement?

- Yes. The Provincial Government became aware of the \$6.5 M figure during finalization of the Federal Loan Guarantee in December 2013.

If the PG knew about the \$6.5 million figure, was the PG aware of the most recent cost update prior to it being publicly released?

- On June 26, 2014, Nalcor issued its news release which provided an updated capital cost forecast of \$6.99 billion for the Muskrat Falls Project.
- One day prior to Nalcor's public announcement, Nalcor provided the Premier and Cabinet with the updated \$6.99 billion figure.

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