

From: dawndalley@nalcenergy.com
Sent: Sunday, December 14, 2014 1:13 PM
To: Bown, Charles
Subject: Re: Questions and Answers updated

Ok. Let me talk to Gilbert.

Dawn S. Dalley
VP Corporate Relations & Customer Service
Nalcor Energy

On Dec 14, 2014, at 1:09 PM, Bown, Charles W. <crown@gov.nl.ca> wrote:

dawn

the responses dont really answer the questions.

charles

Sent from my iPad

On Dec 12, 2014, at 9:23 PM, "DawnDalley@nalcenergy.com" <DawnDalley@nalcenergy.com> wrote:

Have not reviewed these but any concerns you have, pls continue to flag.

Dawn S. Dalley
VP Corporate Relations & Customer Service
Nalcor Energy

Begin forwarded message:

From: "Karen O'Neill" <KONeill@nlh.nl.ca>

Date: December 12, 2014 at 5:03:52 PM NST

To: CMartin@gov.nl.ca

Cc: "James Meaney" <JamesMeaney@lowerchurchillproject.ca>, "Paul Harrington" <PHarrington@lowerchurchillproject.ca>, "Gilbert Bennett" <GBennett@nalcorenergy.com>

Subject: Questions and Answers updated

Hi Craig, here are the updated questions and answers for the schedule section.

Please let myself or Jim know if you have any additional questions/comments on these. I've consulted with Jim on these answers already.

Thanks

Karen

Notes:

- questions a and b have been separated out with answers provided by Nalcor for both
- question e has been revised to reflect the original wording with an answer provided by Nalcor.
- no changes to Qs c and d and f-i

a) What has caused the slippage in schedule for the Powerhouse & Intake and the Spillway & Gates?

Nalcor is aggressively managing the cost and schedule of the project. Overall, the Muskrat Falls Project remains on schedule and construction progress for the Muskrat Falls generating facility is generally where we anticipated it to be at this point. The slippage in project schedule is largely due to a slower than anticipated mobilization and start up by Astaldi Canada. Nalcor is working closely with the contractor and measures have been put in place between Nalcor and Astaldi to address issues affecting progress.

b) Does the progress schedule slippage on the Powerhouse & Intake and the Spillway & Gates impact the Milestone Schedule or Project Budget?

Based on the completed work to date for these projects, there are currently no impacts on the milestone schedule and first power remains on target for late 2017.

e) Why were the incurred costs of \$1.07 billion higher than the planned costs of \$1.065 billion while at the same time the components of the Generating Facility are behind planned schedule?

Nalcor is aggressively managing the cost and schedule of the project. There is less than a 2 per cent variance in actual versus planned construction progress and less than a 1 per cent variance on incurred versus planned costs. At this stage of project construction we do not consider these variances to be significant but we continue to aggressively monitor both of these items.

<p><0.BE4.jpg></p>	<p>Karen O'Neill Communications Manager Lower Churchill Management Corporation Nalcor Energy - Lower Churchill Project t. 709.737.1427c. 709.690.2012 e. koneill@nalcorenergy.com 1.888.576.5454</p>
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