

**From:** dawndalley@nalcoreenergy.com  
**Sent:** Saturday, September 26, 2015 6:54 PM  
**To:** Charles Bown  
**Subject:** Fwd: Commercially sensitive comments in the E&Y report

See below.

Begin forwarded message:

**From:** "Paul Harrington" <[PHarrington@lowerchurchillproject.ca](mailto:PHarrington@lowerchurchillproject.ca)>  
**Date:** September 26, 2015 at 6:12:37 PM NDT  
**To:** "Dawn Dalley" <[DawnDalley@nalcoreenergy.com](mailto:DawnDalley@nalcoreenergy.com)>  
**Cc:** "Ed Martin" <[EMartin@nalcoreenergy.com](mailto:EMartin@nalcoreenergy.com)>, "Gilbert Bennett" <[GBennett@nalcoreenergy.com](mailto:GBennett@nalcoreenergy.com)>, "Karen O'Neill" <[KONeill@nlh.nl.ca](mailto:KONeill@nlh.nl.ca)>, "Lance Clarke" <[LanceClarke@lowerchurchillproject.ca](mailto:LanceClarke@lowerchurchillproject.ca)>, "Steve Pellerin" <[StevePellerin@lowerchurchillproject.ca](mailto:StevePellerin@lowerchurchillproject.ca)>  
**Subject:** Re: Commercially sensitive comments in the E&Y report

Dawn

I cannot stress enough the damage releasing this report can do, it can effect Astaldis share price negatively and ruin our hard worked relationship build with their negotiating team , also it will push this issue into the public eye at the worst possible time. I reiterate my recommendation that the OC revive a verbal report on EAndYs advice and not a formal report.

This is a critical issue to me

Paul

Sent from my iPad

On Sep 26, 2015, at 5:38 PM, Dawn Dalley <[DawnDalley@nalconenergy.com](mailto:DawnDalley@nalconenergy.com)> wrote:

Thanks Paul. I appreciate you digging into this today.

Dawn

Dawn S. Dalley

Vice President, Corporate Relations & Customer Service

Nalcor Energy

t.709.737.1315 c. 709.727.7715 e. [ddalley@nalconenergy.com](mailto:ddalley@nalconenergy.com)

Paul Harrington---09/26/2015 02:35:44 PM---The attached word file is my review of the E&Y report using the lens of Commercially Sensitive- rega

From: Paul Harrington/NLHydro

To: Dawn Dalley/NLHydro@NLHydro, Gilbert Bennett/NLHydro@NLHydro, Ed Martin/NLHydro@NLHydro

Cc: Lance Clarke/NLHydro@NLHydro, Steve Pellerin/NLHydro@NLHYDRO, Karen O'Neill/NLHydro@NLHydro

Date: 09/26/2015 02:35 PM

Subject: Commercially sensitive comments in the E&Y report

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The attached word file is my review of the E&Y report using the lens of Commercially Sensitive- regarding Astaldi

There are many commercially sensitive items in the Report, some examples are shown below, these types of issues we know about and is do no good to document them as action items to be addressed by Nalcor in the public eye when we are knee deep in discussions of a commercial nature with Astaldi. Anything which touches on cost and schedule with Astaldi is problematic because that is exactly what we are trying to delicately work out with Astaldi - putting it in a Report is pointless - we know already!

- *A fully quantified risk or trend has not been documented for the most significant challenges related to work performed by a key contractor included in the Sample (Astaldi) . The scale of potential challenges is not quantified in the summary reporting made available to the Oversight Committee.*
- *From the Sample, one key contractor's [Astaldi] most recent approved schedule (dated October 2014) does not fully comply with Nalcor's Coordination Procedure:*
  - *1. A trend, quantified risk and/or early identification of potential material variance have not been raised for the challenges with one key contractor included in the Sample, particularly related to progress delays [Astaldi]. It is not clear how the quantification of the related cost risk has been communicated in reporting, limiting the understanding of the scale of the risk or issue.*

*(See attached file: Commerccailly sensitive flags.docx)*

<p>[IMAGE]</p>	<p><b>Paul Harrington</b> <b>Project Director</b> <b>Lower Churchill</b> <b>Nalcor Energy - Lower Churchill Project</b> <b>t. 709 737-1907 c. 709 682-1460 f. 709 737-1985</b> <b>e. <u><a href="mailto:PHarrington@nalcorenergy.com">PHarrington@nalcorenergy.com</a></u></b> <b>w. <u><a href="http://nalcorenergy.com">nalcorenergy.com</a></u></b></p>
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