

From: pharrington@lowerchurchillproject.ca
To: gbennett@nalcenergy.com
Cc: jamesmeaney@lowerchurchillproject.ca; koneill@nlh.nl.ca; edbush@lowerchurchillproject.ca
Subject: OC and IE meeting today
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Similar questions were put by the OC and IE - basically the Astaldi progress and what we are doing about it

My response was consistent that yes we are aware of the situation and although progress on the spillway and powerhouse is not as planned by Astaldi that we do not see an impact on the First Power date at this time. We are concerned about Astaldi's progress but not alarmed and are acting within the contract provisions to stimulate Astaldi to improve by adopting some recommendations that Nalcor has put forward regarding Construction Management organization and personnel to more efficiently direct the workforce along with greater planning and organization of the work. We are making resources available to assist Astaldi and are nominating known Construction management personnel at the supervisor and superintendent levels that Astaldi would be advised to hire to direct the workforce.

I emphasized that this has our full attention and Nalcor Senior Management resources are being applied to assist Astaldi at the MF site to overcome the current challenges.

I also stated that the ICS will be reviewed by a joint Constructability team of Nalcor and Astaldi to determine the most appropriate forward path for the ICS - given the delays to date on ICS installation and the onset of winter it needs to be determined if continuation of the ICS installation is actually preventing or aiding in the Powerhouse and Intake construction

Winter construction will continue under hoarding which has proven to be quite effective.

Finally I indicated that the Xmas break is a real opportunity to effect a CM change and the recall of labour post Xmas needs to be carefully planned by the CM team and carefully organized.

The feedback was generally appreciative of a frank discussion, it was obvious that they had drawn similar conclusions and had similar concerns so our credibility would have severely wounded had we glossed over this issue. I asked for any comments regarding how we are managing the Astaldi situation and received from both the IE and OC the same answer, that we are doing everything we can however they felt that this was at a critical point and if not successful then delays would result

The thing we need to make sure of is that the reports they issue do not reach conclusions that just because we are behind the plan that the schedule is lost , I stated that it was too early to tell and we had buy in from Astaldi on the CM organization and a commitment to implement the changes we had proposed. so karen needs to be tied into any drafts that are issued. The OC draft will be issued in the next week or so

Regards Paul

Paul Harrington

Project Director

PROJECT DELIVERY TEAM

Lower Churchill Project

t. 709 737-1907 c. 709 682-1460 f. 709 737-1985

e. PHarrington@lowerchurchillproject.ca

w. muskratfalls.nalcorenergy.com

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