

From: jamesmeaney@lowerchurchillproject.ca
Sent: Monday, September 28, 2015 10:20 PM
To: Dawn Dalley
Cc: Gilbert Bennett; Lance Clarke; Paul Harrington; Steve Pellerin
Subject: Re: Draft Report

That would be a reasonable assumption, but wonders never cease with these folks

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Dawn Dalley
Sent: Monday, September 28, 2015 9:59 PM
To: James Meaney
Cc: Gilbert Bennett; Lance Clarke; Paul Harrington; Steve Pellerin
Subject: Re: Draft Report

The EY report itself is not being released but I believe the OC report still is. I assume they will remove the EY components. To be sure, I will confirm.

Dawn

Dawn S. Dalley

Vice President, Corporate Relations & Customer Service

Nalcor Energy

t. 709.737.1315 c. 709.727.7715 e. ddalley@nalcorenergy.com

James Meaney---09/28/2015 09:56:37 PM---Folks,

From: James Meaney/NLHydro

To: Dawn Dalley/NLHydro@nlhydro, Paul Harrington/NLHydro@nlhydro, Gilbert Bennett/NLHydro@nlhydro, Lance Clarke/NLHydro@nlhydro, Steve Pellerin/NLHydro@nlhydro

Date: 09/28/2015 09:56 PM

Subject: Re: Draft Report

Will the OC report still be released tomorrow with the sections relating to the EY review removed, or is that on hold as well?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Dawn Dalley

Sent: Monday, September 28, 2015 9:48 PM

To: Paul Harrington; Gilbert Bennett; James Meaney; Lance Clarke; Steve Pellerin

Subject: Re: Draft Report

Folks,

First, thank you for your responses earlier. The OC/GNL are holding the E&Y report for now as a result of our concerns and we will engage them further over the coming days on the issues we have raised.

Dawn

Dawn S. Dalley

Vice President, Corporate Relations & Customer Service

Nalcor Energy

t.709.737.1315 c. 709.727.7715 e. ddalley@nalcorenergy.com

Paul Harrington---09/28/2015 06:59:59 PM---From: Paul
Harrington/NLHydro To: Lance Clarke/NLHydro@nlhydro

From: Paul Harrington/NLHydro

To: Lance Clarke/NLHydro@nlhydro

Cc: Dawn Dalley/NLHydro@nlhydro, Gilbert Bennett/NLHydro@nlhydro, Steve
Pellerin/NLHydro@nlhydro, James Meaney/NLHydro@nlhydro

Date: 09/28/2015 06:59 PM

Subject: Re: Draft Report

I fully agree

Th

Sent from my iPad

On Sep 28, 2015, at 6:57 PM, Lance Clarke
<LanceClarke@lowerchurchillproject.ca> wrote:

Flight delayed so here's a shot at this before take off.

Point 4 on page 5 states: 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. The scale of potential challenges is not quantified in the summary reporting made available to the Oversight Committee.

They fail to point out that we fully understand the challenges and have been working diligently over the past months to rectify them and have been successful in doing so. We have not specifically pointed them out in reports as we have been very careful to maintain a focus on the commercial best interest of the project throughout the process, i.e. negotiating in public does not work.

Point 2 on page 10 states

1. More than 10% of the contractor's scheduled activities have negative float. A significant number have a negative float of more than 80 days. Negative float indicates the inability to meet schedule milestones/deadlines including the required project completion

date. As of 21 May 2015, schedule non-compliances remained to be rectified; and

2. The contractor's monthly progress report has not been approved since July 2014. This typically indicates potential significant disputes between a client and contractor regarding the schedule forecasts and the accuracy and/or quality of their reporting. Consequently, such matters may not be included in the IPS and reported to the Oversight Committee.

As stated before, we are fully aware of this and have worked diligently over the last year to rectify the actual execution versus forcing a schedule to be submitted that is produced for the sake of reporting. If they must state this then they should at least acknowledge that we know that this is the case and have consciously chosen to focus on execution instead.

Although the report is a little tamer than before folks will quickly put 2 and 2 together and tie this to Astaldi which will make an already difficult situation for them untenable and potentially cost us considerably. If they add the fact that we are working with the contractor quite successfully it would go a long way to keeping this under control. Otherwise, no guarantee where this goes.

The E&Y comments are clearly Process Oriented, Purest and Theoretical in approach without any factual context. Someone needs to make sure the

reality of our situation is not overridden by theory, as a 25 year commercial guy I can tell you now, we cannot afford it. Pedantic, theoretical fear mongering has no place in the middle of battle, or mega projects.

Hope this is clear but more importantly hope it helps:).

We are Sent from my iPad

On Sep 28, 2015, at 4:33 PM, Dawn Dalley <DawnDalley@nalcenergy.com> wrote:

Folks, I know this is an ongoing effort here but GNL have worked EY to address our concerns around commercial sensitivity. Can you pls review.

Lance, I know you are flying but hoping you can review en route to your destination!

Dawn

Begin forwarded message:

From: "Martin, Craig" <CMartin@gov.nl.ca>

Date: September 28, 2015 at 5:52:41 PM NDT

To: "Dawn Dalley" <DawnDalley@nalcoreenergy.com>

Cc: "Mullaley, Julia" <JMullaley@gov.nl.ca>

Subject: Draft Report

Dawn,

Please see the attached latest draft of the report from EY. They have applied a commercial sensitivity lenses to this latest draft based on earlier feedback.

Please review and advise if any further comments.

If there are any other commercial sensitivity concerns please provide the rationale regarding the concerns so we can understand as we make decisions on the items.

Thanks

Craig

"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email

in error, please delete it immediately and notify the sender."

<Muskrat Falls Project - OC Cost Schedule Review
_ Final Draft - 28Sep201.....pdf>