

From: lanceclarke@nalconenergy.com
Sent: Thursday, March 14, 2013 8:34 AM
To: paul harrington/nlhydro
Cc: gilbert bennett/nlhydro
Subject: Re: Deloitte Risk Review

Gilbert

I will touch base this morning but agree with your approach in general. The concept of giving us feedback on the management structure is fine and Deloitte will do that at any rate as a part of team building. The organization has been discussed with our IE and they feel we are being prudent. However, the concept of the risk analysis is off base and Scott needs to have some facts laid out for him because his head is not even close to being in the right space. We have done extensive external risk analysis by groups whose experience far exceed that of Deloitte in this area and has included Senior members of SNC. The statement of "we are laying off staff as instructed" is a bit of a set up statement as well that needs to be addressed. As far as I know there is only one person being let go and SNC are the ones who said the person did not fit. I will confirm this. I have also found out through contacts at other locations that SNC have been actively recruiting some of their good people in the integrated team to go on other jobs telling them that there is no certainty with us. We need to adjust our game plan here and get Bob Card involved with Ed as discussed this weekend. I have been giving this whole scenario considerable thought and believe I know some ways for us to handle this so lets chat and when Paul is back we can firm something up. I will also gather intel from Normand's level as they are delaying the engagement of Deloitte who by the way are calling me this morning because they want to talk about where this is going. Also, the CBC's national headline this morning online is that Joe Salim is suing SNC so we may need to be ready to respond.

Rgds

On 2013-03-14, at 7:35 AM, "Paul Harrington"
<PHarrington@nalconenergy.com> wrote:

Gilbert

I believe you are taking the right approach

We need to shut down anything that is outside the SLI scope and do that firmly and quickly

We do not have time for playing games and we do need to concentrate on the actual team building and effectiveness

You are spot on when you point out that risk is the Owners area and SLI need to focus on supporting the integrated team effort with high quality resources, something which has been absent in many functions and which has hurt us very badly

Paul

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Gilbert Bennett---03/13/2013 09:55 PM NDT---Lance, Let's touch base some time on Thursday before I hit send on this note...

From:	Gilbert Bennett
To:	Lance Clarke
Cc:	Paul Harrington
Date:	03/13/2013 09:55 PM NDT
Subject:	RE: Deloitte Risk Review

Lance,

Let's touch base some time on Thursday before I hit send on this note...

G

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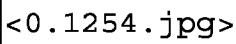
Scott,

My first reaction is that this review is generally a repeat of risk analysis that we have already undertaken as part of our planning. We have completed reviews of various execution models (EPC, EPCM, integrated approach) as part of our pre-sanction planning with our financial and risk advisors.

When I look at ownership of cost / schedule risk, Nalcor owns it all in either an EPCM or integrated model. Given that, I think our focus on team effectiveness is appropriate.

We can discuss further on our next call...

Gilbert

	<p>Gilbert J. Bennett, P. Eng. Vice President, Lower Churchill Project Nalcor Energy t. 709 737 1836 f. 709 737 1782 e. gbennett@nalcorenergy.com w. nalcorenergy.com</p>
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"Thon, Scott" ---03/13/2013 04:31:40 PM---Gilbert,

From: "Thon, Scott" <Scott.Thon@snclavalin.com>

To: "Thon, Scott" <Scott.Thon@snclavalin.com>, "Gilbert Bennett" <GBennett@nalconenergy.com>

Date: 03/13/2013 04:31 PM

Subject: RE: Deloitte Risk Review

Gilbert,

Any feedback on the attached? I know your team and mine are putting a lot of pressure to get moving with Deloitte.

Scott

From: Thon, Scott

Sent: March 11, 2013 9:08 PM

To: Gilbert Bennett

Subject: Deloitte Risk Review

Gilbert,

Further to our discussion and now that you have landed on the organization chart, it would be a good time to assess the risks of the new organization so we can build mitigation plans around any areas of concern. Please see attached, a proposal to make a quick assessment (2 weeks) as a "bolt on" to their effectiveness work. They have assembled a broad team from across Canada including key players from their "major project" group in Calgary.

Appreciate you sharing the organization chart with our team today, we are laying off staff as instructed. Will need feedback on whether we should continue our work on pulling folks from our International Construction group and our Mining & Metallurgy Division.

I will set up another call to follow up.

Scott

Begin forwarded message:

From: "Allen, Jane D (CA - Toronto)" <janallen@deloitte.ca>

Date: 8 March, 2013 15:24:06 MST

To: "Thon, Scott" <scott.thon@snclavalin.com>

Cc: "Ingram, Michael (CA - Toronto)" <miingram@deloitte.ca>

Subject: Statement of Work

Hello Scott. Please let us know if this captures what we discussed.

Jane Allen

Global Leader, Renewable Energy

Chief Diversity Officer, Canada

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