
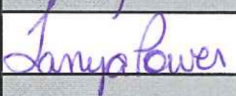
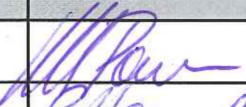
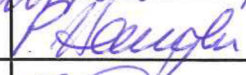

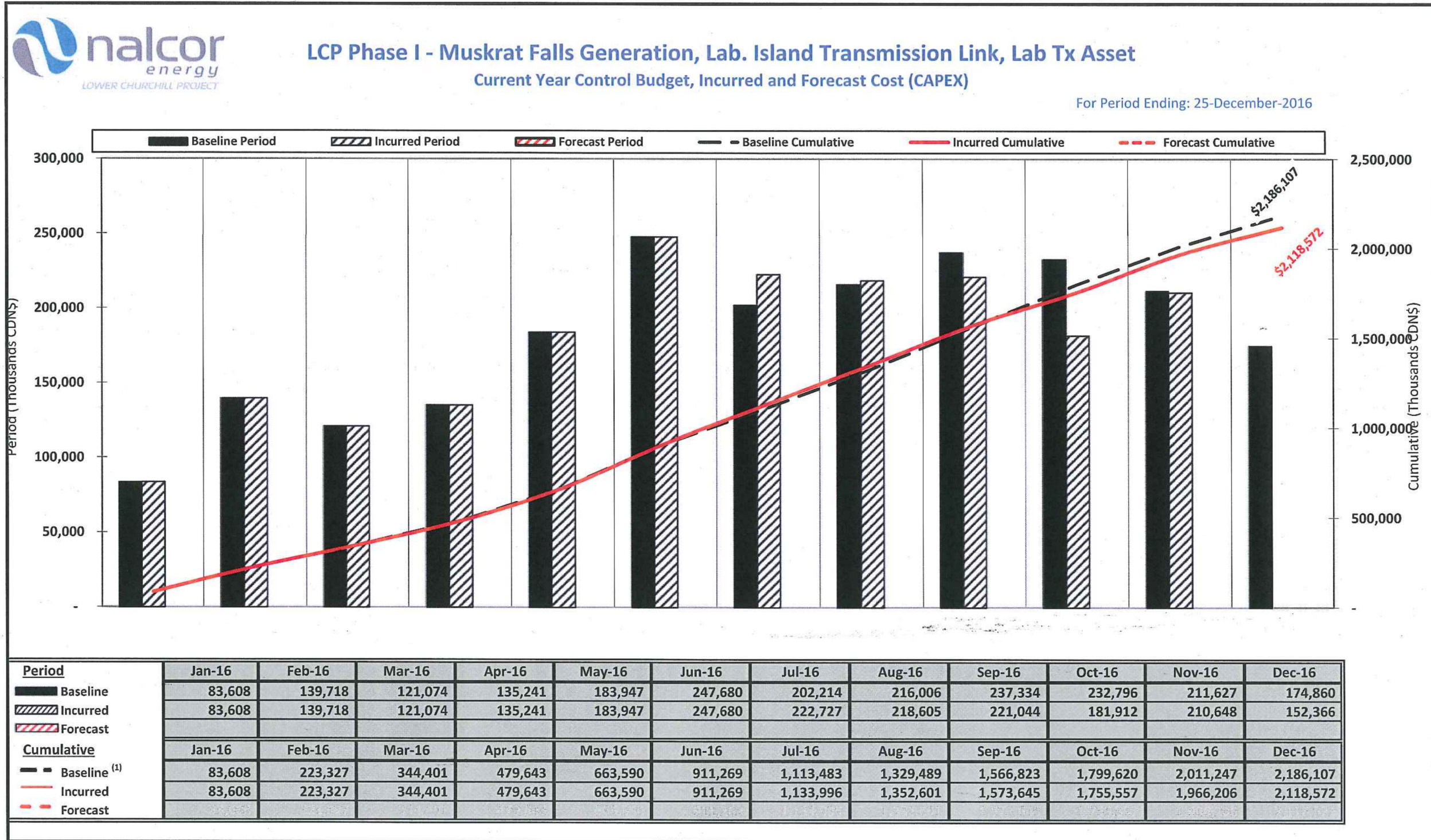


Cost Approval Form

Period Ending: December 2016		MF	LITL	LTA	LCP	LCP (Previous Month)
CCB (Excluding Contingency)	A	\$4,866,892,640	\$3,351,250,963	\$855,759,264	\$9,073,902,867	\$8,824,851,000
Budgeted Contingency	B	\$204,519,796	\$96,142,997	\$21,798,113	\$322,460,906	\$301,512,773
AFE	C = A+B	\$5,071,412,436	\$3,447,393,960	\$877,557,377	\$9,396,363,773	\$9,126,363,773
Committed		\$3,516,984,249	\$3,051,180,155	\$796,954,341	\$7,365,118,745	\$7,339,643,736
Incurred	D	\$2,943,964,508	\$2,428,267,952	\$749,843,022	\$6,122,075,482	\$5,969,709,377
FTC (Excluding Contingency)	E	\$1,920,657,306	\$947,471,801	\$108,731,436	\$2,976,860,543	\$2,845,664,762
Forecasted Contingency	F	\$206,790,622	\$71,654,207	\$18,982,919	\$297,427,748	\$310,989,634
FFC	G = D+E+F	\$5,071,412,436	\$3,447,393,960	\$877,557,377	\$9,396,363,773	\$9,126,363,773
FFC - AFE	G - C	\$0	\$0	\$0	\$0	\$0

Prepared by:	Name	Signature	Date
Lead Cost Controller	George Chehab		12-Jan-2017
Reviewed by:			
Project Controls Manager	Tanya Power		12-Jan-2017
Approved by:			
General Project Manager - Generation	Ron Power		13-Jan-2017
Project Director - Generation	Paul Harrington		13-Jan-2017
Project Director - Transmission	Greg Fleming		12-JAN-2017

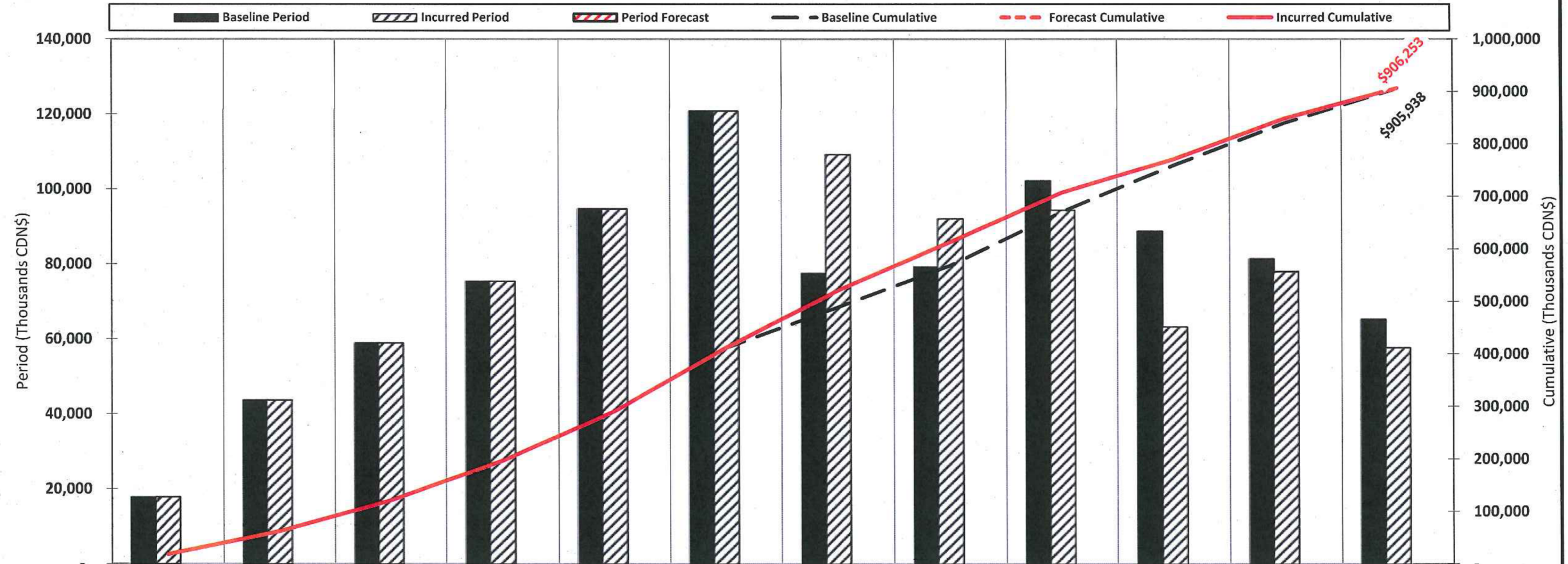


(1) This baseline represents the 2016 revised AFE approved by Nalcor board on June 2016



LCP Phase I - Muskrat Falls Generation Current Year Control Budget, Incurred and Forecast Cost (CAPEX)

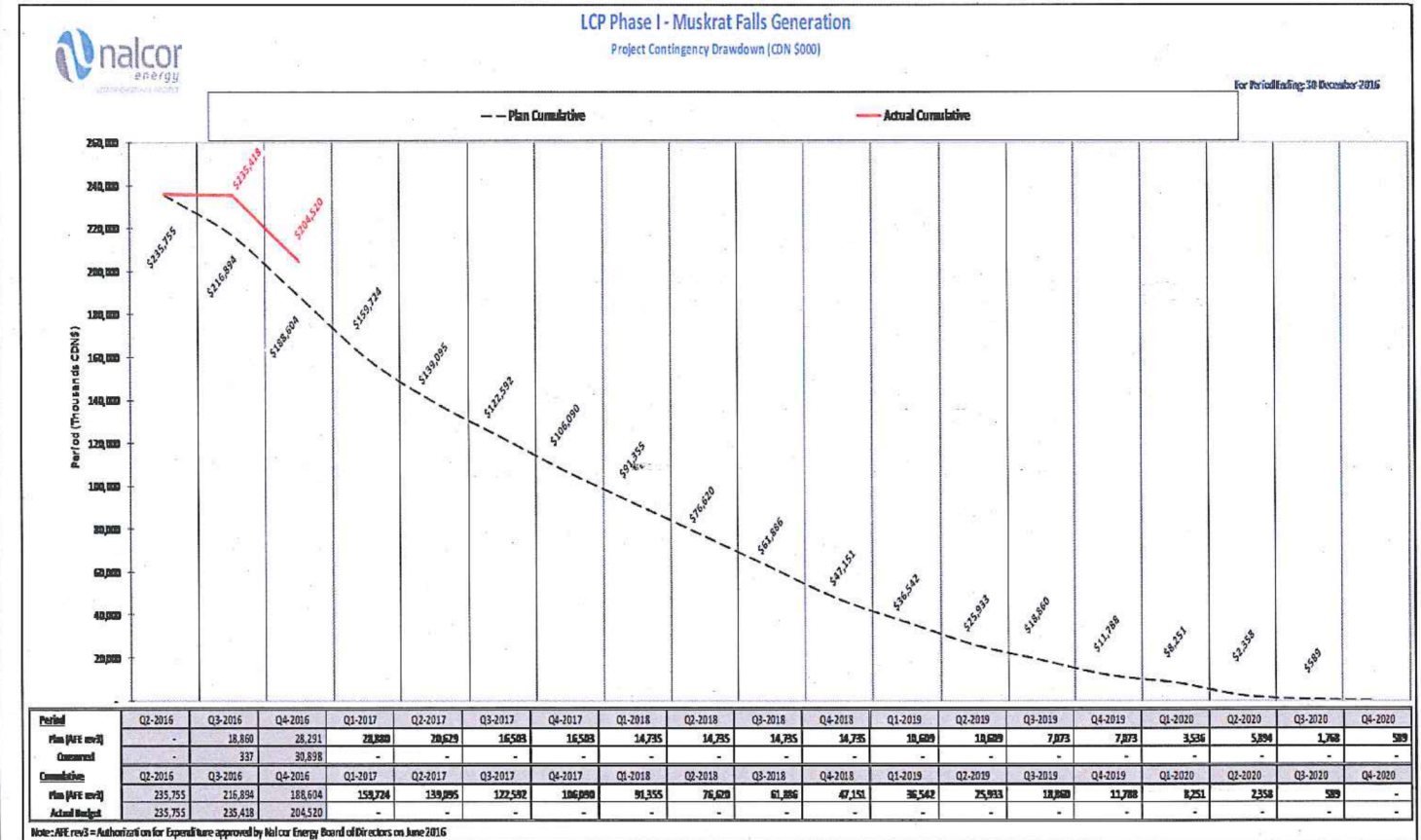
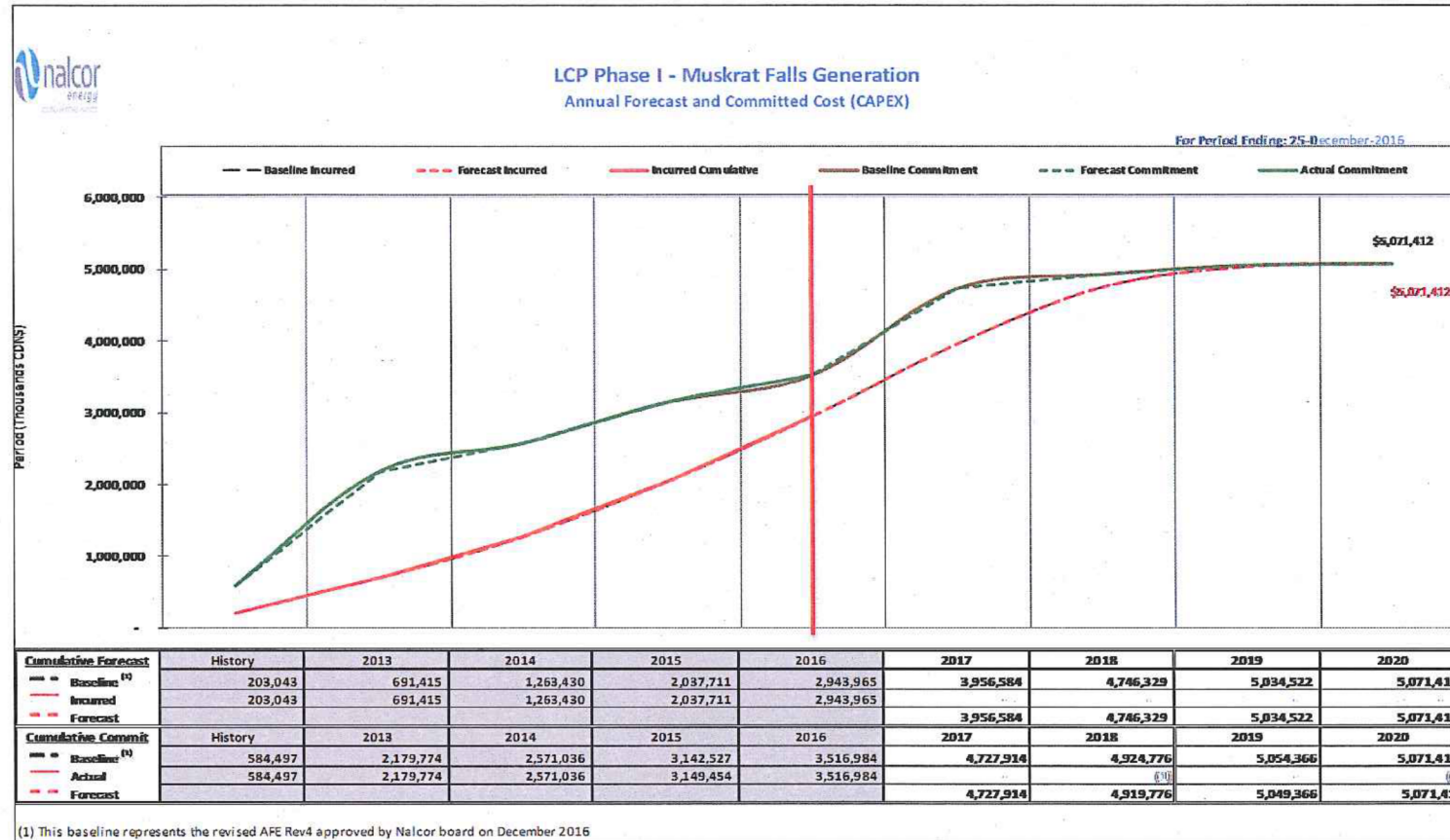
For Period Ending: 25-December-2016



Period	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline	17,873	43,729	58,879	75,429	94,685	120,872	77,585	79,272	102,187	88,772	81,380	65,275
Incurred	17,873	43,729	58,879	75,429	94,685	120,872	109,276	92,120	94,412	63,276	77,989	57,712
Forecast												
Cumulative	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline ⁽¹⁾	17,873	61,602	120,481	195,910	290,594	411,466	489,052	568,324	670,510	759,283	840,663	905,938
Incurred	17,873	61,602	120,481	195,910	290,594	411,466	520,743	612,863	707,275	770,551	848,541	906,253
Forecast												

(1) This baseline represents the 2016 revised AFE approved by Nalcor board on June 2016

LCP Phase I - Muskrat Falls Generation Cost Highlights - December 2016



LCP Phase I - Muskrat Falls Generation
Incurred Highlights - December 2016

1. Monthly Incurred

Planned Incurred: 65.3 M
Incurred: 57.7 M
Variance: (7.6 M)

Main Causes:

- Mainly due to incurred lower than the project planned baseline for:
 - The North Spur contract due to spending lower than budgeted
 - The BoP contract due to delays in contract award
 - The Astaldi contract due to lower than planned productivity
 - The T&G contract due to delays in civil works
- This is offset by incurred higher than the project planned baseline for:
 - The North and South Dams due to remediation and winter protection works and more than planned labour cost
 - Owner's cost due to year end reconciliation
 - Supply of the MF camp extension

2. Yearly Incurred (2016)

Planned Incurred for 2016: 906 M
Incurred yearly to date: 906.3 M
Forecast for 2016: 906.3 M
Variance (Forecast vs planned) : 0.3 M

Main Causes:

- Mainly due to incurred higher than the project planned baseline for:
 - The Astaldi Contract due to increase in the yearly spending based on the bridge agreement
 - The North and South Dams Contract due to remediation works, winter protection, additional quantities and higher than planned labour cost
 - Owner's Cost due to year end reconciliation
- This is offset by incurred lower than the project planned baseline for:
 - The T&G and the Gates contracts due to civil works delays and deferral of anticipated changes that did not materialize
 - The fish habitat Compensation contract due to delays in the contract award
 - The BoP contract due to delays in the contract award
 - The Log Boom contract
 - The North Spur contract due to spending lower than budgeted

LCP Phase I - Muskrat Falls Generation
Cost Highlights - December 2016

Major Risk Items^(*)

- MF General - Construction labour Productivity (MFGR179)
- Commercial exposure in the Andritz contracts due to installation delays of civil works including possible damages to equipment (MFGR226)

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Not in FFC - Early Stage/ Low Accuracy regarding Strategy and Cost impact)^(**)

- Muskrat Falls Demonstrations and Protests in October 2016 - Impact of Government agreement, contractor claims (DAN-2259)
- Commercial Exposure on Reimbursable Portion of CH0009 Contract Due to Multi-Season construction of North RCC Dam, Actual labour cost overrunning estimated contractual values and additional change orders (MFGR116 / 173 / 237)
- Andritz demobilization after Spillway works (MFGI027)
- Saving on the Final value of the North Spur contract (end of works August 2017)
- Reservoir Debris management (DAN 2212)
- Additional Camp Services as a Result of MFG Camp Expansion and increase of Labour ManDays (DAN-2318)
- Impacts to Log Boom Installation as a Result of the Delay in Winter Impoundment (DAN-2334)
- Recoupment of Insurance funds related to the Draft Tube Liner Incident (MFGR235)
- Additional Owner's cost
- Additional Reservoir clearing and impact of Methyl Mercury issue
- Recoupment of Insurance funds related to the Upstream cofferdam incident
- Additional security on site after October Protest

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Part of FFC - Advanced Stage/ High Accuracy regarding Strategy and Cost Impact)^(**)

- Repair of Upstream cofferdam and Protection measures of PH and Spillway in the winter (estimate 8 M)
- North and South Dams Pending Change Requests and Change Orders, QCCs to cover increased Labour cost to date (estimate 9 M)
- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ -22.1 M)
- Additional cleaning of Overflow camp washrooms and bunkbed rooms from twice weekly to every second day (estimate 2 M)

FFC Monthly Variance

- Budget increase as per AFE rev4 (PCN-705) (+270 M)
- Muskrat Falls Fish Habitat Compensation Execution Strategy Optimization (PCN-697) (-1 M)
- North and South Dams Pending Change Requests and Change Orders, QCCs to cover increased Labour cost to date (+ 9 M)
- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ -22.1 M)
- Additional cleaning of Overflow camp washrooms and bunkbed rooms from twice weekly to every second day (+ 2 M)
- Additional security personnel added after the protest (up to end of Dec 2016) (+ 0.6 M)

(*) Risk Items are items that may or may not materialize through the duration of the project, regardless of accounting for them in the budget or not
(**) Potential Issues are material changes affecting the overall cost value of a package. Their value needs to be offset through the use of Contingency

Expected Contingency Draw down (MF)

31-December-2016

PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
AFE Rev3 Contingency (end of Jun 2016)		235,754,501				
486 rev1	Crawlspace Remediation - Muskrat Falls Dormitories	-105,849	Approved			
659	Stringing of the 138 kV Under-build for 25 kV Construction Power	300,000	Approved			
671	Muskrat Falls River Rescue Boat	383,617	Approved			
672	Additional funds for the TL240 post impoundment	277,000	Approved			
673	Additional claim cost to close CH0003-001	172,566	Approved			
677	Alignment to final value of Admin bldg contract	-1,527,631	Approved			
678	Reservation of Rooms at Hotel North I and Labrador Inn - Accommodations Expansion (for 2016 only)	1,512,034	Approved			
678 rev1	Additional Reservation of Rooms at HVGB (for 2016 only)	1,021,170	Approved			
679	Close out of SM0704	-163,987	Approved			
680	Close out of SM0713	-14,216	Approved			
681	Engagement of Third Party Consultant for Safety Management Systems Review of Astaldi	330,000	Approved			
684	Expansion of Muskrat Falls Accommodations	23,000,000	Approved			
685	Government Mandated Additional Aquatic Monitoring	500,000	Approved			
688	Additional Clearing Below 25m Elevation Before Reservoir Impoundment	200,000	Approved			
690	Muskrat Falls - Demonstrations and Protests (October 2016)	3,000,000	Approved			
693	Revised Methylmercury Assessment and Ongoing Consulting Support	750,000	Approved			
694	Bunkbed Premium and LOA for contractors staff	2,600,000	Approved			
697	Muskrat Falls Fish Habitat Compensation Execution Strategy Optimization	-1,000,000	Approved			
Available Contingency		204,519,797				

PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
690 rev1	Additional funds required to cover direct cost of MF - Demonstrations and Protests (October 2016)	862,137		January		Short Term
691	Geotechnical Instrumentation	167,378	Under Review	January		Short Term
698	Impacts Associated with Cofferdam Repair Work	5,000,000	Created	January		Short Term
704	Cost Allocation for MF Accommodations Across Assets	-22,098,002	Under Review	January		Short Term

DAN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
2212	Reservoir Debris Management	TBD	Under Review	February	Need follow up by Cost Controllers	Short Term
2318	Additional Camp Services as a Result of MFG Camp Expansion	TBD	PCN Required	March	Estimate to be finalized Jan/Feb 2017	Short Term
2333	Impacts Associated with the Delay in Winter Impoundment - Site Protection Works	2,000,000	PCN Required	January		Short Term
2334	Impacts to CH0049-004 - Installation of Debris/Ice-Safety Boom as a Result of the Delay in Winter Impoundment	1,340,000	Under Review	January		Short Term
2374	Supply and install additional camera at MRF security gate	TBD	Created	January		Short Term
N/A	Additional security on site after October Protest	TBD		January		Short Term
N/A	Additional cleaning of Overflow camp washrooms and bunkbed rooms from twice weekly to every second day	2,000,000		January		Short Term
N/A	Commercial Exposure on CH0009 Contract Due to Multi-Season construction of North RCC Dam, Actual labour cost overrunning estimated contractual values and Site geotechnical conditions	TBD		January	Need follow up by Cost Controllers	Short Term
Non Reserved Contingency (1)		215,248,284				

PCN #	Description	Value (\$)	Status	Comments	Timeline of Impact
DAN # Description Value (\$) Status Comments Timeline of Impact					
2260	Supply of Survey Equipment and S/I of External Reference Points Required for Long Term Survey Monitoring Program	TBD	On Hold		Long Term
2349	Cost Impacts due to Protest Activities at MFG Site October 2016 - Claims and Schedule Delays	TBD	PCN Required		Long Term
N/A	Recoupment of Insurance funds related to the Draft Tube Liner Incident	TBD			Long Term
N/A	Recoupment of Insurance funds related to the Upstream cofferdam incident	TBD			Long Term
N/A	Additional Reservoir clearing and impact of Methyl Mercury issue	TBD			Long Term
N/A	Saving on the final contract price of CH0008	TBD		Need follow up by Cost Controllers to determine final value	Long Term
N/A	Andritz demobilization after Spillway works	TBD		Need follow up by Cost Controllers	Long Term
N/A	Owner's cost variance	45,231,378		54 M were put in the contingency in the latest re-baseline, MFL requires further update	Long Term
Total Long Term items (2)		45,231,378			

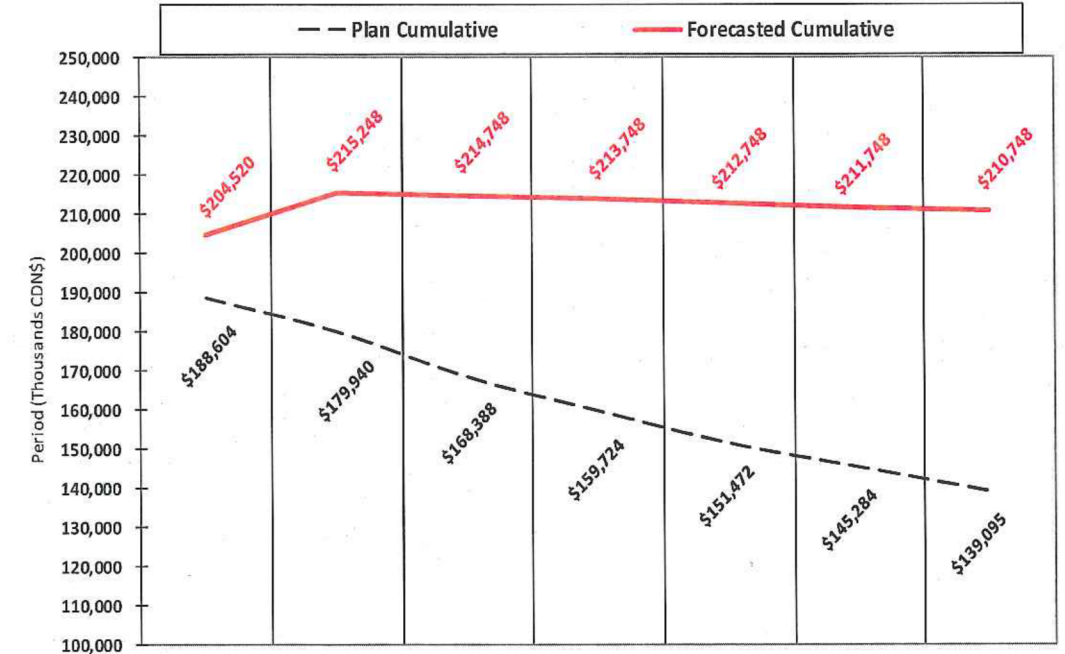
Remaining Contingency (3 = 1-2) 170,016,906

Up to PCN 704 and DAN 2379

Short term = up to 6 month ahead
Long Term = After 6 months

LCP Phase I - Muskrat Falls Generation

Project Contingency Drawdown for the next 6 Months (CDN \$000)



Period Consumed	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	8,487	8,664	11,552	8,664	8,251	6,189	6,189
Actual / Forecasted	(1,000)	(10,728)	500	1,000	1,000	1,000	1,000
Cumulative Available	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	188,604	179,940	168,388	159,724	151,472	145,284	139,095
Actual / Forecasted	204,520	215,248	214,748	213,748	212,748	211,748	210,748

Note 1: AFE rev3 = Authorization for Expenditure approved by Nalcor Energy Board of Directors on June 2016

January	<ul style="list-style-type: none"> Additional cleaning of Overflow camp washrooms and bunkbed rooms +\$ 2 M Geotechnical Instrumentation / PCN-691 +\$ 0.17 M Impacts Associated with Cofferdam Repair Work / PCN-698 +\$ 5 M Impacts Associated with the Delay in Winter Impoundment - Site Protection Works / DAN-2333 +\$ 2 M Impact to Installation of Ice-Safety Boom as a Result of the Delay in Winter Impoundment / DAN-2334 +\$ 1.34 M Additional funds required to cover direct cost of MF - Demonstrations and Protests (October 2016) / +\$ 0.86 M Supply and install additional camera at MRF security gate / DAN-2374 TBD Commercial Exposure on CH0009 Contract Due to Multi-Season construction of North RCC Dam, Actual labour cost overrunning estimated contractual values and Site geotechnical conditions TBD Cost Allocation for MF Accommodations Across Assets / PCN-704 (\$ 22.1 M) Additional security on site after October Protest TBD
February	<ul style="list-style-type: none"> Reservoir Debris Management / DAN-2212 TBD Contingency +\$ 0.5 M
March	<ul style="list-style-type: none"> Contingency +\$ 1 M
April	<ul style="list-style-type: none"> Additional Camp Services as a Result of MFG Camp Expansion / DAN-2318 TBD Contingency +\$ 1 M
May	<ul style="list-style-type: none"> Contingency +\$ 1 M
June	<ul style="list-style-type: none"> Contingency +\$ 1 M

MF - Generation Cost Report - December 2016

CP	Description	OCB	Scope changes	CCB	Commitments	Outstanding changes	Trends	Unawarded scope	Incurred this period	Incurred to date	Forecast	Forecast variance	Variance
Closed Packages	N/A	746,939,794	-146,251,068	600,688,727	600,653,438	0	-378,720	-1	0	600,274,717	600,274,717	0	414,009
Sub-Total Closed Packages		746,939,794	-146,251,068	600,688,727	600,653,438	0	-378,720	-1	0	600,274,717	600,274,717	0	414,009
CD0509	Construction Telecommunication Services - Phase 2	13,853,071							88,928	5,729,200			
CD0510	Supply and Install Permanent Communication Systems	2,113,728							0	140,435			
CD0568	Offsite Infrastructure upgrade	0	1,613,200	1,613,200	1,035,200	0	0	578,000	0	1,026,253	1,613,200	0	0
CH0007	Construction of Intake and Powerhouse, Spillway and Transition Dams	751,987,716							22,041,707	1,085,367,379			
CH0008	Construction of North Spur Stabilization Works	66,427,162	95,758,165	162,185,327	144,093,668	0	0	18,091,660	1,919,403	138,156,724	162,185,328	0	0
CH0009	Construction of North and South Dams	127,689,866							9,417,725	146,241,383			
CH0024	Reservoir clearing North	57,310,625	72,795,289	130,105,914	129,318,896	0	656,700	130,318	5,141,171	129,318,896	130,105,914	0	0
CH0029	Site restoration	0							0	0			
CH0030	Turbine and generators	205,387,347							258,585	126,602,111			
CH0031	Supply and Install Mechanical and Electrical Auxiliaries (MF)	101,096,139							0	0			
CH0032	Supply and Install Powerhouse Hydro-Mechanical Equipment	104,242,075							846,826	151,773,923			
CH0033	Supply and Install Powerhouse Cranes	9,564,462							0	7,778,641			
CH0034	Supply and Install Powerhouse Elevator	808,729	-309,733	498,996	498,996	0	0	0	0	49,886	498,996	0	0
CH0049	Supply and Install Log Booms	8,260,217							1,112,654	7,197,260			
CH0052	Construction of Habitat Compensation Works	11,304,315							408,893	4,597,788			
CH0068	Construction power facilities- Balance of works	0							140,883	2,481,088			
CT0319	Construction of 315 kV Hvac Transmission Line (MF to CF)	4,165,814	2,165,781	6,331,595	6,077,550	0	0	254,046	0	3,044,712	6,331,596	-7,764	0
PH0014	Supply of Generator Step-up Transformer	20,549,016	-5,336,346	15,212,670	15,012,670	0	200,000	0	851	3,436,669	15,212,670	0	0
PH0015	Supply of Isolated Phase Bus	1,902,522	125,000	2,027,522	950,823	0	0	1,076,699	0	66,803	2,027,522	0	0
PH0016	Supply of Generator Circuit Breakers	5,170,372	-3,455,176	1,715,196	1,715,196	0	0	0	0	358,333	1,715,196	0	0
PH0036	Auxiliary Transformers	474,712	213,894	688,607	669,636	0	0	0	0	555,808	669,636	113,828	18,970
PH0058	600 V Switchgear	0							0	870,839			
PH0070	MF Accommodation Expansion	0	20,144,746	20,144,746	7,080,118	4,193	-9,200,000	13,060,434	1,196,793	1,325,293	10,944,745	-9,313,828	9,200,000
PT0331	Supply of Tower Hardware - 350 kV HVdc	0	13,332	13,332	13,332	0	0	0	557	5,568	13,332	7,764	0
PT0351	Supply of Wood Poles	0	73,571	73,571	73,176	0	0	395	0	73,176	73,571	0	0
SD0560	Provision of early works and starter camp telecom (MF)	312,456							16,431	1,348,759			
SH0018	Provision of Catering, Housekeeping and Janitorial Services (MF)	122,708,010							3,086,323	95,044,666			
SH0019	Security services	24,344,663							1,508,790	36,697,247			
SH0020	Medical services	20,822,244							171,066	14,987,686			
SH0022	Provision of Fuel Supply and Dispensing Services (MF)	841,507							0	3,077,108			
SH0040	Provision of Garbage Removal and Disposal Services (MF)	2,748,535							153,592	6,088,799			
SH0041	Provision of Ground Transportation Services (HVGB to MF)	14,041,433							510,171	17,584,298			
SH0051	Provision of Buildings Maintenance Services (MF)	26,266,704							101,723	5,266,240			
SH0069	MFG Third Party Engineering Services	0	1,459,069	1,459,069	356,714	0	79,739	1,022,616	15,000	299,521	1,459,069	-50,000	0
SM0700	Provision of General Freight Forwarding Services	2,671,061							112,411	392,748			
SM0701	3rd party quality surveillance and inspection	2,354,658							122,913	4,187,894			
SM0705	Provision of Laboratory Services	34,069,577							209,864	8,676,236			
SM0706	Supply and Maintenance of Project Vehicles	2,474,993							49,591	3,812,608			
SM0707	Provision of Helicopter Services	3,815,802							0	2,972,668			
SM0709	Air transportation services	0							76,679	10,394,026			
XF0001	Foreign Exchange Impact	0	21,342,960	21,342,960	17,803,000	0	0	3,539,960	-1,581,680	15,514,913	21,342,960	0	0
XX0002	Other scope of work	2,697,350	6,306,773	9,004,123	6,343,509	38	396,309	2,264,267	-157,470	5,935,255	9,004,123	0	0
XX0006	Contingency	226,849,222							0	0			
XX0100	Owner's team, Admin services ,EPCM	128,323,833							9,956,146	242,330,720			
XX0300	Environmental and Regulatory Compliance	9,636,749							252,124	22,016,535			
XX0400	Aboriginal Affairs	10,924,382							413,930	9,509,266			
XX0900	Commercial and Legal, insurance	15,217,077							-47,847	19,179,397			
XXSMFG	MF Site purchase orders	0							34,210	613,545			
ZZ0999	Unallocated budget	10,790,349							135,483	1,561,493			
Sub-Total Open Packages		2,154,218,494	2,316,505,215	4,470,723,709	2,935,290,811	19,382,094	32,295,733	1,484,169,082	57,712,427	2,343,689,793	4,471,137,719	270,000,000	-414,010
Total MFG		2,901,158,288	2,170,254,148	5,071,412,436	3,535,944,249	19,382,094	31,917,013	1,484,169,081	57,712,427	2,943,964,510	5,071,412,436	270,000,000	0

Owner's Cost - Muskrat Falls Generation

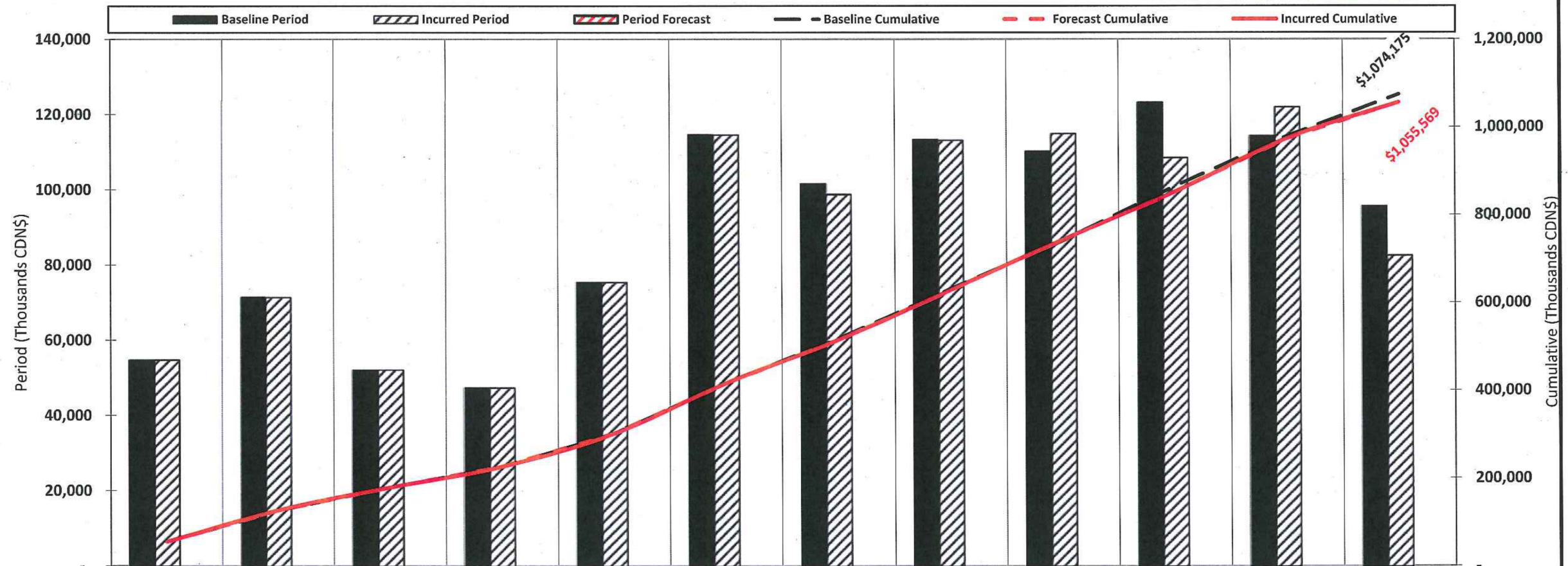
For Period Ending: 25-Dec-2016

ITEM #	SUBCATEGORY	A Current Control Budget (CCB)	Incurred Costs		B Final Forecast Cost (FFC)	C= B - A Variance from CCB	Remarks
			Current Period	Project-to-Date			
100-1	Fee and Services	\$27,948,125	\$908,075	\$26,238,774	\$27,968,774	\$20,649	Forecast is based on 65% of LCP cost of \$50,000 per month until End-2018, then 100% of the cost until end of July 2020.
100-	LCP Communications	\$1,509,689	\$14,827	\$1,129,117	\$1,502,797	-\$6,892	Forecast is based on 65% of LCP cost of \$10,800 per month until End-2018, then 100% of the cost until end of July 2020
100-	LCP Labour Relations External 3rd Party	\$4,361,131	\$43,547	\$1,250,265	\$2,975,765	-\$1,385,366	Forecast is based on 65% of LCP cost of \$85,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Safety Incentive Program	\$897,960	\$158,354	\$423,914	\$1,012,114	\$114,154	Forecast is based on 65% of LCP cost of \$17,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Team Building	\$198,108	\$0	\$12,108	\$185,108	-\$13,000	Forecast is based on 65% of LCP cost of \$5,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Torbay Road Lease	\$9,765,810	\$201,140	\$2,719,741	\$9,639,741	-\$126,069	Forecast is based on 65% of LCP cost of \$200,000 per month until End-2018, then 100% of the cost until end of July 2020
100-2	Helicopter Services	\$4,626,802	\$0	\$2,972,668	\$4,626,802	\$0	Forecast to end of 2018
100-3	Funding	\$714,047	\$1,037	\$530,891	\$703,891	-\$10,157	Forecast is based on 65% of LCP cost of \$5,000 per month until End-2018, then 100% of the cost until end of July 2020
100-6	Information Technology	\$8,303,297	\$89,799	\$4,742,835	\$8,202,835	-\$100,462	Forecast is based on 65% of LCP cost of \$100,000 per month until End-2018, then 100% of the cost until end of July 2020
100-7	Lease/Rent/Renovations	\$13,068,770	\$254,325	\$7,459,396	\$13,687,396	\$618,626	Forecast is based on 65% of LCP cost of \$180,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Office Supplies	\$3,719,383	\$41,778	\$1,357,094	\$3,664,094	-\$55,288	Forecast is based on 65% of LCP cost of \$45,000 per month until End-2018, then 100% of the cost until end of July 2020 + 750 k for site purchase orders
100-	Training and Conferences	\$2,114,537	\$15,625	\$1,030,605	\$2,068,605	-\$45,932	Forecast is based on 65% of LCP cost of \$30,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Utilities	\$1,620,334	\$21,028	\$371,601	\$1,582,601	-\$37,733	Forecast is based on 65% of LCP cost of \$35,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Integrated Commissioning Support Service	\$3,363,410	\$0	\$64,693	\$3,363,410	\$0	Forecast based on AFE 3.0
100-17	Costs related to Protest Activities	\$2,821,933	\$260,156	\$793,060	\$2,821,933	\$0	
SUB Total 1		\$85,033,336	\$2,009,691	\$51,096,761	\$84,005,865	-\$1,027,471	
100-1.1	Fees and Services (EPCM Salaries Up to 31-Dec-2013)	\$106,049,654	\$0	\$106,049,654	\$106,049,654	\$0	This is to show the labour cost associated with the EPCM consultant prior to intergration. Going forward all labour cost associated with SLI will be incurred under salaries.
100-5	Historical Cost to End of 2007	\$1,352,787	\$0	\$1,352,787	\$1,352,787	\$0	Nothing to forecast. Historical cost to end of 2007.
100-8	Membership/Dues	\$0	\$0	\$0	\$0	\$0	Nothing to Forecast.
100-9	Office Equipment	\$21,768	\$0	\$21,768	\$21,768	\$0	Nothing to Forecast.
100-11	Salaries	\$325,093,278	\$7,471,584	\$203,177,292	\$371,051,478	\$45,958,200	FFC Based on MFL until July 2020. Budget was based on a 20 month delay however 54 M was placed into contingency to be held if needed. Postion end dates for CI have not been provided to date so a rough estimate of C1 salary costs for a portion ond 2018 and all of 2019/20 have been used. Once new end dates have been recived for C1 staff then the MFL will be updated to reflect this and the forecast updated accordingly.
100-	Travel and Accommodations	\$20,337,489	\$458,005	\$10,252,266	\$20,632,266	\$294,778	Forecast is based on 65% of LCP cost of \$300,000 per month until End-2018, then 100% of the cost until end of July 2020
100-	Temporary Materials	\$1,100,913	\$16,866	\$886,784	\$1,106,784	\$5,871	Forecast cost for Telecomms vehicles of \$5000/Month until Mid-2020. Incurred cost relates to MF Construction Telecommunications.
SUB Total 2		\$453,955,889	\$7,946,456	\$321,740,552	\$500,214,738	\$46,258,849	
Total		\$538,989,225	\$9,956,146	\$372,837,312	\$584,220,603	\$45,231,378	



LCP Phase I - Labrador-Island Transmission Link Current Year Control Budget, Incurred and Forecast Cost (CAPEX)

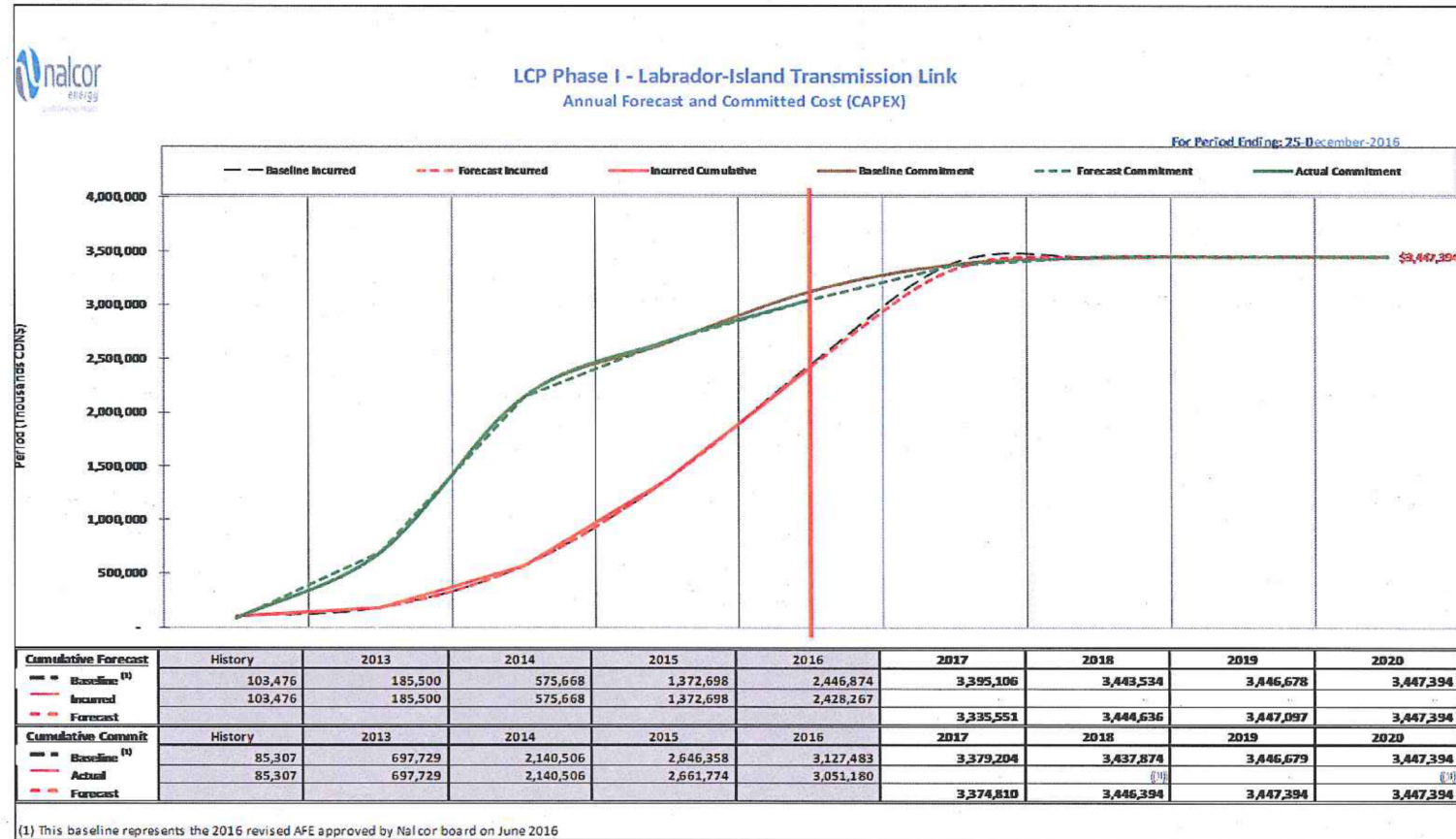
For Period Ending: 25-December-2016



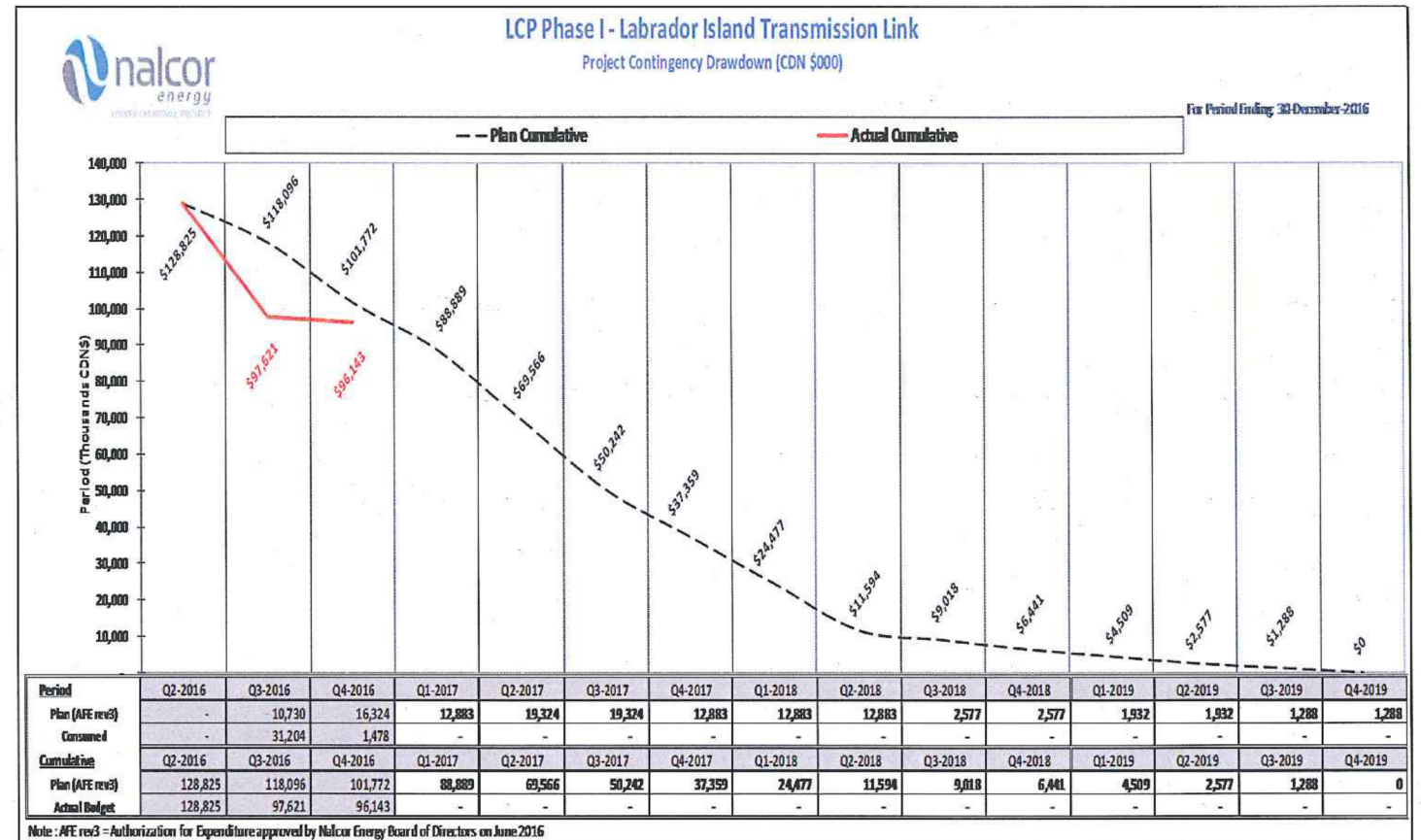
Period	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline	54,786	71,413	52,134	47,380	75,454	114,626	101,624	113,342	110,232	123,231	114,357	95,598
Incurred	54,786	71,413	52,134	47,380	75,454	114,626	98,758	113,121	114,877	108,507	121,983	82,531
Forecast												
Cumulative	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline ⁽¹⁾	54,786	126,199	178,333	225,713	301,166	415,793	517,416	630,759	740,990	864,221	978,578	1,074,175
Incurred	54,786	126,199	178,333	225,713	301,166	415,793	514,551	627,672	742,548	851,055	973,038	1,055,569
Forecast												

(1) This baseline represents the 2016 revised AFE approved by Nalcor board on June 2016

LCP Phase I - Labrador Island Transmission Link Cost Highlights - December 2016



(1) This baseline represents the 2016 revised AFE approved by Nalcor board on June 2016



Note: AFE rev3 - Authorization for Expenditure approved by Nalcor Energy Board of Directors on June 2016

LCP Phase I - Labrador-Island Transmission Link
Incurred Highlights - December 2016

1. Monthly incurred

Planned Incurred: 95.6 M
Incurred: 82.5 M
Variance: (13.1) M

Main Causes:

- Mainly due to incurred lower than the project planned baseline for:
 - The Converters contract due to the delays in MCAD procurement
 - The Synch. Condensers contract due to an adjustment to an over incurred from last month
 - The SOBI scope due to spending lower than budgeted and work completion ahead of schedule
- This is offset by incurred higher than the project planned baseline for:
 - The Foreign Currency impact due to additional contracts in USD related to the Pole conductor loose strand and actual market rates higher than planned

2. Yearly Incurred (2016)

Planned Incurred for 2016: 1,074 M
Incurred yearly to date: 1,056 M
Forecast for 2016: 1,056 M
Variance (Forecast vs planned) : (18) M (1.7%)

Main Causes:

- Mainly due to incurred lower than the project planned baseline for:
 - The Converters contract
 - The Synch. Condensers contract
 - The clearing and access of the dcTL
 - The Owner's cost
- This is offset by incurred higher than the project planned baseline for:
 - The SOBI section - Majority of scope completed in 2016
 - The SP Switchyard
 - The construction of the HVdc Line due to increased cost related to the Pole conductor loose strand

LCP Phase I - Labrador-Island Transmission Link
Cost Highlights - December 2016

Major Risk Items (*)

- GE performance and schedule delays potentially triggering additional costs resulting from change in Contract Strategy or Acceleration (DCSR130/131/132)
- Commercial claims from prime contractors - Alstom and Valard (DCSR134/135, OTLR051)
- Spring break up cost associated with additional maintenance of the roads (OTLR044)

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Not in FFC - Early Stage/ Low Accuracy regarding Strategy and Cost impact) (**)

- Increase in cost of installation of shunt reactor at MF (DAN 666)
- Additional funds for part B scope (Valard)
- Saving on final cost of Helicopter services
- savings on grounding requirements (DAN928/929)
- Construction Access Cost Exposure resulting from increased maintenance and scope growth
- Delays of the Transformer Delivery to Cartwright from Fall 2016 to Spring 2017 (DAN-2255/2259)
- Muskat Falls Demonstrations and Protests - October 2016 (DAN-2259)
- Commercial claim from GE civil works subcontractors - (Pomerleau has a claim for 63 M, Possible claim from O'Connell in the future)
- Additional Owner's cost due to GE performance and schedule delays
- Geotechnical issues in the AC & DC Yard at MF and SP (DAN-2225/2359)
- NLH HVac Transmission Line Renumbering & NLH SOPTS Energization Support (DAN-2369/2370)
- Labour and Fuel Escalation costs related to the construction of the dcTL (Valard)
- Credit from Valard and clearing and access contractors related to the travel MOU with the IBEW

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Part of FFC - Advanced Stage/ High Accuracy regarding Strategy and Cost Impact) (**)

- Pole conductor loose strand / Stringing Suspension (PCN-0674), 14 M were added this month taking the overall FFC to 85 M
- Cancellation of additional water requirements at SP (DAN-1535) (\$ -2 M)
- Cancellation of High speed switches (DAN-1966) (\$ -4.5 M)
- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ +14.6 M)
- Budget increase due to currency impact (DAN-2376) (\$ +3 M)

FFC Monthly Variance

- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ +14.6 M)
- Budget increase due to currency impact (DAN-2376) (\$ +3 M)

(*) Risk Items are items that may or may not materialize through the duration of the project, regardless of accounting for them in the budget or not
(**) Potential Issues are material changes affecting the overall cost value of a package. Their value needs to be offset through the use of Contingency

Expected Contingency Draw down (LIL)

31-December-2016

PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
AFE Rev3 Contingency (end of Jun 2016)		128,825,308				
630	Civil contracting strategy change and resolution of other outstanding major change orders	1,105,826	Approved			
653	Technical Assistance for Transformer Assembly	98,398	Approved			
674	Pole conductor loose strand / Stringing Suspension	51,000,000	Approved			
678 rev1	Reservation of Rooms at HVGB (for 2016 only)	73,642	Approved			
683	Reservation of Rooms at HVGB (for 2016 only)	52,580	Approved			
690	Muskkrat Falls - Demonstrations and Protests (October 2016)	300,000	Approved			
696	SOBI Final Construction Costs & Budget Adjustment	-19,948,133	Approved			
Available Contingency		96,142,995				
PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
674	Pole conductor loose strand / Stringing Suspension	6,000,000	Created	Mar+Apr	4 M in March and 2 M in April	Short Term
702	Cancellation of additional water requirements at SP, high speed switches, Saving on Washrooms at Transition Compounds	-7,100,000	Under Review	January		Short Term
704	Cost Allocation for MF Accommodations Across Assets	14,588,787	Under Review	January		Short Term
DAN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
928/929	savings on grounding requirements	-2,800,000	Under Review	January		Short Term
2072	Inflatable Seals for Synchronous Condenser Machines	430,000	Under Review	January		Short Term
2225	Geotechnical issues in the DC Yard at Muskkrat Falls (Presence of Clay at MF converter site)	900,000	Under Review	January	Need follow up by Cost Controllers	Short Term
2255	Delays of Transformer Delivery to Cartwright Fall 2016	5,000,000	On Hold	February	Preliminary estimate, letter received from GE for cost of demob only is 1.7 M	Short Term
2302	HVdc Line Material Transfer from Labrador to the Island	TBD	Under Review	January	Need follow up by Cost Controllers	Short Term
2314	Water Treatment Skid (Overburden wells instead of artesian wells at SP site)	400,000	Under Review	January		Short Term
2331	Canine searches	150,000	Under Review	January		Short Term
2337	Spare Transformer Assembly for the synch Cond	50,000	Under Review	February		Short Term
2346	Galloping Observed on HVdc Steel Line Electrode Conductors	TBD	Under Review	February		Short Term
2359	AC Yard Soil Conditions - Soldiers Pond and Muskkrat Falls	TBD	Under Review	February		Short Term
2376	Budget increase due to currency impact for the LITL asset	3,000,000	Created	January		Short Term
N/A	Additional funds for part B scope (Valard)	2,000,000	Under Review	April		Short Term
Non Reserved Contingency (1)		71,024,208				

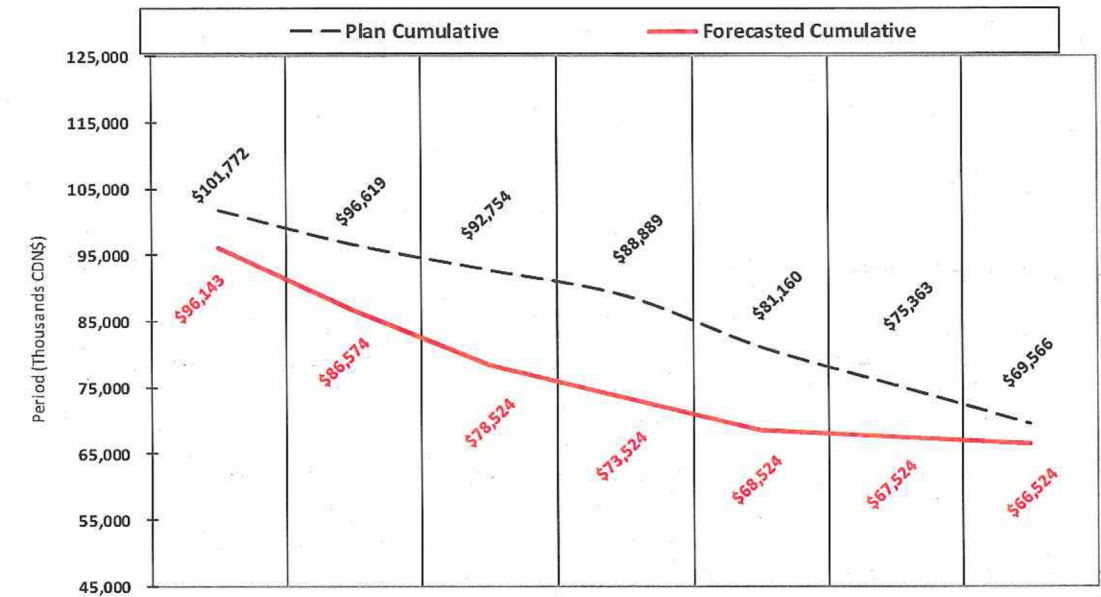
PCN #	Description	Value (\$)	Status	Comments	Timeline of Impact
666	Increase in cost of installation of shunt reactor at MF	2,500,000		Need follow up by Cost Controllers, estimate	Long Term
674	Pole conductor loose strand / Stringing Suspension	8,000,000	Created	Need follow up by Cost Controllers	Long Term
DAN #	Description	Value (\$)	Status	Comments	Timeline of Impact
2159	Addition of Cable Trench - AC Filters	640,100	On Hold	Estimate, GE did not request any change yet	Long Term
2349	Cost Impacts due to Protest Activities at MFG Site October 2016 - Claims and Schedule Delays	TBD	PCN Required		Long Term
2369	NLH HVac Transmission Line Renumbering	TBD	Created	Cost of FEED analysis only is \$ 83,600	Long Term
2370	NLH SOPTS Energization Support	TBD	Created	Cost of FEED analysis only is 42 K to identify and clarify the NLH scope of work with CD0502 and Alstom.	Long Term
N/A	Additional funds for access maintenance of the DC line	6,000,000		Maintenance till end of December 2018	Long Term
N/A	Labour and Fuel Escalation costs related to the construction of the dcTL (Valard)	TBD			Long Term
N/A	Credit from Valard and clearing and access contractors related to the travel MOU with the IBEW	TBD		in AFE rev3, this item was considered to offset any cost resulting from Labour and Fuel Escalation	Long Term
N/A	Additional Owner's cost	TBD		Caused by GE performance and schedule delays	Long Term
N/A	Saving on final cost of Helicopter services	-1,500,000			Long Term
Total Long Term items (2)		15,640,100			

Remaining Contingency (3 = 1-2) 55,384,108

Up to PCN 704 and DAN 2379

Short term = up to 6 month ahead
Long Term = After 6 months

LCP Phase I - Labrador Island Transmission Link
Project Contingency Drawdown for the next 6 months (CDN \$000)



Period Consumed	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	4,897	5,153	3,865	3,865	7,730	5,797	5,797
Actual / Forecasted	(19,948)	9,569	8,050	5,000	5,000	1,000	1,000
Cumulative Available	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	101,772	96,619	92,754	88,889	81,160	75,363	69,566
Actual / Forecasted	96,143	86,574	78,524	73,524	68,524	67,524	66,524

Note 1: AFE rev3 = Authorization for Expenditure approved by Nalcor Energy Board of Directors on June 2016

January	<ul style="list-style-type: none"> Geotechnical issues in the DC Yard at Muskkrat Falls (Presence of Clay at MF converter site - piling required) / DAN-2225 +\$ 0.9 M Water Treatment Skid (Overburden wells instead of artesian wells at SP site) / DAN-2314 +\$ 0.4 M HVdc Line Material Transfer from Labrador to the Island / DAN-2302 TBD Canine searches / DAN-2331 +\$ 0.15 M Inflatable Seals for Synchronous Condenser Machines / DAN-2072 +\$ 0.43 M savings on grounding requirements / DAN-928/929 (\$ 2.8 M) Cost Allocation for MF Accommodations Across Assets / PCN-704 +\$ 14.6 M Cancellation of additional water requirements at SP / PCN-702 (\$ 2 M) Cancellation of High speed switches / PCN-702 (\$ 4.5 M) Saving on Washrooms in Transition compounds / PCN-702 (\$ 0.6 M) Budget increase due to currency impact for the LITL asset / DAN-2376 +\$ 3 M
February	<ul style="list-style-type: none"> Delays of Transformer Delivery to Cartwright Fall 2016 / DAN-2255 +\$ 5 M Spare Transformer Assembly for the synch Cond / DAN-2337 +\$ 0.05 M Galloping Observed on HVdc Steel Line Electrode Conductors / DAN-2346 TBD AC Yard Soil Conditions - Soldiers Pond and Muskkrat Falls / DAN-2359 TBD Contingency +\$ 0.5 M
March	<ul style="list-style-type: none"> Pole conductor loose strand / Stringing Suspension / PCN-674 +\$ 4 M Contingency +\$ 1 M
April	<ul style="list-style-type: none"> Pole conductor loose strand / Stringing Suspension / PCN-674 +\$ 2 M Additional funds for part B scope (Valard) +\$ 2 M Contingency +\$ 1 M
May	<ul style="list-style-type: none"> Contingency +\$ 1 M
June	<ul style="list-style-type: none"> Contingency +\$ 1 M

Labrador-Island Transmission Link Cost Report - December 2016

CP	Description	OCB	Scope changes	CCB	Commitments	Outstanding changes	Trends	Unawarded scope	Incurred this period	Incurred to date	Forecast	Forecast variance	Variance
Closed Packages	N/A	637,670,594	-542,362,400	95,308,194	95,308,193	0	0	0	10,362	95,308,192	95,308,193	0	1
Sub-Total Closed Packages		637,670,594	-542,362,400	95,308,194	95,308,193	0	0	0	10,362	95,308,192	95,308,193	0	1
CD0501	Supply and Install Converters and Cable Transition Compounds	433,082,673							19,554,718	285,550,633			
CD0502	Construction of AC Substations	86,588,315							2,127,698	50,326,822			
CD0504	Civil and Building Works Converters	0							2,825,725	62,263,143			
CD0508	Supply and Install of Electrode Sites	30,324,143	-11,254,780	19,069,363	14,134,989	0	25,000	4,909,375	0	14,128,856	19,069,364	0	0
CD0509	Construction Telecommunication Services - Phase 2	69,886							0	30,030			
CD0510	Supply and Install Permanent Communication Systems	17,787,248							82,071	8,388,333			
CD0534	Supply and Install Soldiers Pond Synchronous Condensers	80,678,443							3,688,763	127,213,825			
CD0566	Supply of Construction power	0	3,528,719	3,528,719	2,892,602	0	215,394	420,724	12,921	1,348,844	3,528,719	0	0
CH0007	Construction of Intake and Powerhouse, Spillway and Transition Dams	0							43,753	237,315			
CT0327	Construction of 350 kV HVdc Transmission Line - (construction)	392,729,526	992,271,918	1,385,001,444	1,299,187,543	6,500	14,779,361	85,028,039	45,337,885	915,118,561	1,399,001,444	0	-13,999,999
CT0342	Construction of AC Transmission Lines - Island	14,134,585	7,995,061	22,129,647	21,439,078	0	0	690,569	0	16,188,720	22,129,647	155,400	0
CT0354	HVdc Marshaling Yards HVGB	0	2,777,536	2,777,536	2,694,140	0	83,396	0	0	2,693,392	2,777,536	0	0
CT0355	HVdc Marshaling Yards Island	0	15,030,000	15,030,000	11,375,503	0	1,516	3,652,981	646,708	6,092,098	15,030,000	0	0
PD0537	Supply of Power Transformers AC Substations at CF, MF and SP	7,043,291	7,130,388	14,173,629	13,733,629	0	0	440,000	0	11,410,629	14,173,629	0	0
PH0070	MF Accommodation Expansion	0	0	0	0	0	5,796,000	0	0	0	5,796,000	5,796,000	-5,796,000
PT0308	Supply of Steel Tower Foundations - 350 kV HVdc	24,071,995	16,800,611	40,872,606	36,449,335	0	2,673,437	1,749,834	-2,208,667	34,481,893	40,872,605	0	0
PT0328	Supply of Transmission Line Conductors - 350 kV HVdc	89,474,058	-15,952,294	73,521,764	55,248,921	6,537,711	77,743	11,657,388	0	61,252,529	73,521,763	-435,805	1
PT0329	Supply of HVdc Insulators - 350 kV HVdc	52,513,276	-30,797,088	21,716,188	21,647,376	0	46,740	22,072	295	21,614,205	21,716,188	0	0
PT0330	Supply of Steel Towers - 350 kV HVdc	63,048,979	-3,557,217	59,491,762	58,248,827	0	332,056	910,881	-20,061	58,239,442	59,491,764	0	-2
PT0331	Supply of Tower Hardware - 350 kV HVdc	6,867,096	16,516,158	23,383,254	22,542,635	0	17,792	822,827	270,658	21,782,690	23,383,253	203,431	0
PT0334	Supply of Steel Wires - 350 kV HVdc	1,914,335	5,674,470	7,588,805	7,583,606	0	5,198	0	0	7,583,606	7,588,804	0	1
PT0351	Supply of Wood Poles	477,982	1,321,237	1,799,219	1,756,816	0	0	42,403	35,550	1,756,816	1,799,219	0	0
PT0352	Supply of Anchor Materials - 350 kV HVdc	22,878,411	-3,696,112	19,182,299	17,096,610	0	0	2,085,688	0	17,096,610	19,182,299	0	0
PT0353	Supply of Optical Ground Wire (OPGW) - 350 kV HVdc	4,285,092	4,560,403	8,845,495	8,641,837	0	120,710	82,948	0	8,641,837	8,845,495	0	-1
PT0356	Supply of Dampers-HVdc	0	1,380,688	1,380,688	1,379,627	0	300	760	0	1,379,627	1,380,687	0	1
SD0560	Provision of early works and starter camp telecom (MF)	0							34,017	564,829			
SD0568	C3 site office supplies	0	22,400	22,400	22,400	0	0	0	0	0	22,400	0	0
SH0018	Provision of Catering, Housekeeping and Janitorial Services (MF)	0							487,334	7,241,004			
SH0022	Provision of Fuel Supply and Dispensing Services (MF)	0							0	1,525,940			
SH0040	Provision of Garbage Removal and Disposal Services (MF)	111,949							32,307	530,525			
SH0041	Provision of Ground Transportation Services (HVGB to MF)	0							3,016	11,096			
SM0700	Provision of General Freight Forwarding Services	7,591,264							338,404	43,055,153			
SM0701	3rd party quality surveillance and inspection	1,177,314							71,440	2,579,731			
SM0706	Supply and Maintenance of Project Vehicles	879,803							254,324	4,440,765			
SM0707	Provision of Helicopter Services	10,730,051							36,636	3,820,792			
SM0709	Air transportation services	0							0	290,622			
XF0001	Foreign Exchange Impact	0	22,840,357	22,840,357	22,840,357	0	3,000,000	0	2,559,281	25,263,525	25,840,357	3,000,000	-3,000,000
XX0001	SOBI	352,014,204	-31,810,439	320,203,765	316,612,638	0	-995,577	4,586,704	438,499	298,736,027	320,203,764	-23,061	0
XX0002	Other scope of work	58,376,785	-41,613,785	16,763,000	15,699,062	0	10,819	1,053,119	997,728	15,049,937	16,763,000	0	0
XX0006	Contingency	86,627,861							0	0			
XX0100	Owner's team, Admin services ,EPCM	92,673,494							4,639,644	168,345,700			
XX0300	Environmental and Regulatory Compliance	15,728,194							26,876	11,436,968			
XX0400	Aboriginal Affairs	1,632,453							0	612,016			
XX0900	Commercial and Legal, insurance	16,565,593							194,933	14,625,275			
XXSMFG	MF Site purchase orders	0							7,957	9,394			
Sub-Total Open Packages		1,972,078,298	1,380,007,468	3,352,085,766	2,978,011,962	12,388,886	3,654,167	358,030,752	82,520,412	2,332,959,756	3,352,085,766	0	0
Total LITL		2,609,748,892	837,645,067	3,447,393,960	3,073,320,155	12,388,886	3,654,167	358,030,752	82,530,775	2,428,267,949	3,447,393,959	0	0

Owner's Cost -Labrador-Island Transmission Link

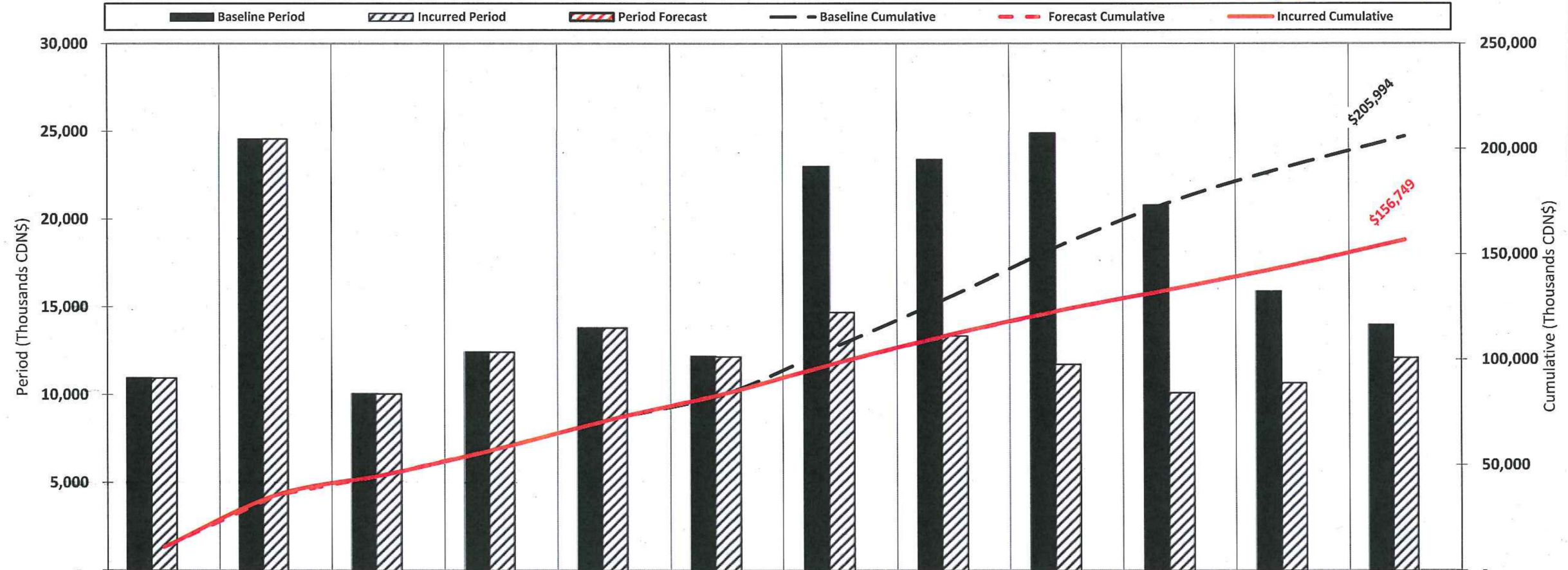
For Period Ending: 25-Dec-2016

ITEM #	SUBCATEGORY	A Current Control Budget (CCB)	Incurred Costs		B Final Forecast Cost (FFC)	C= B - A Variance from CCB	Remarks
			Current Period	Project-to-Date			
100-1	Fee and Services	\$17,976,888	\$308,846	\$14,147,273	\$16,307,273	-\$1,669,615	Forecast is based on 30% of LCP cost of \$50,000 per month until End-2018 + 1 M for open commitments for Land acquisitions 800 K open commitment for Geotech Program
100-1	LCP Communications	\$626,533	\$8,770	\$554,300	\$632,060	\$5,527	Forecast is based on 30% of LCP cost of \$10,800 per month until End-2018
100-1	LCP Labour Relations External 3rd Party	\$1,726,832	-\$31,902	\$992,519	\$1,604,519	-\$122,313	Forecast is based on 30% of LCP cost of \$85,000 per month until End-2018
100-1	Safety Incentive Program	\$410,006	\$7,132	\$317,840	\$440,240	\$30,234	Forecast is based on 30% of LCP cost of \$17,000 per month until End-2018
100-1	Team Building	\$50,007	\$0	\$8,007	\$44,007	-\$6,000	Forecast is based on 30% of LCP cost of \$5,000 per month until End-2018
100-1	Torbay Road Lease	\$3,301,749	\$1,684	\$1,917,929	\$3,357,929	\$56,180	Forecast is based on 30% of LCP cost of \$200,000 per month until End-2018
100-2	Helicopter Services	\$5,627,711	\$36,635	\$3,820,792	\$5,627,711	\$0	Forecast to end of 2018
100-3	Funding	\$282,767	-\$484	\$243,043	\$279,043	-\$3,725	Forecast is based on 30% of LCP cost of \$5,000 per month until End-2018
100-6	Information Technology	\$4,174,301	-\$5,004	\$3,435,826	\$4,155,826	-\$18,475	Forecast is based on 30% of LCP cost of \$100,000 per month until End-2018
100-7	Lease/Rent/Renovations	\$6,237,984	\$38,053	\$4,763,070	\$6,059,070	-\$178,914	Forecast is based on 30% of LCP cost of \$180,000 per month until End-2018 Increase this month due to new offices leased in Dear Lake
100-10	Office Supplies	\$1,060,960	-\$1,368	\$712,042	\$1,036,042	-\$24,918	Forecast is based on 30% of LCP cost of \$45,000 per month until End-2018
100-12	Training and Conferencés	\$943,013	-\$8,513	\$707,617	\$923,617	-\$19,396	Forecast is based on 30% of LCP cost of \$30,000 per month until End-2018
100-14	Utilities	\$528,562	\$7,822	\$291,629	\$543,629	\$15,067	Forecast is based on 30% of LCP cost of \$35,000 per month until End-2018
100-16	Integrated Commissioning Support Service	\$11,000,000	\$0	\$0	\$11,000,000	\$0	Forecast based on AFE 3.0
100-17	Costs related to Protest Activities	\$0	\$0	\$0	\$0	\$0	
SUB Total 1		\$53,947,313	\$361,671	\$31,911,887	\$52,010,966	-\$1,936,347	
100-1.1	Fees and Services (EPCM Salaries Up to 31-Dec-2013)	\$36,648,267	\$0	\$36,648,267	\$36,648,267	\$0	This is to show the labour cost associated with the EPCM consultant prior to intergration. Going forward all labour cost associated with SLI will be incurred under salaries.
100-5	Historical Cost to End of 2007	\$1,636,566	\$0	\$1,636,566	\$1,636,566	\$0	Nothing to forecast. Historical cost to end of 2007.
100-8	Membership/Dues	\$0	\$0	\$0	\$0	\$0	Nothing to Forecast.
100-9	Office Equipment	\$27,475	\$0	\$27,475	\$27,475	\$0	Nothing to Forecast.
100-11	Salaries	\$211,103,961	\$3,863,132	\$138,756,162	\$213,710,610	\$2,606,649	Based on latest MFL
100-13	Travel and Accommodations	\$6,790,828	\$451,477	\$4,848,071	\$7,008,071	\$217,243	Forecast is based on 30% of LCP cost of \$300,000 per month until End-2018
100-5	Temporary Materials	\$0	\$0	\$0	\$0	\$0	Nothing to Forecast.
SUB Total 2		\$256,207,098	\$4,314,609	\$181,916,541	\$259,030,989	\$2,823,892	
Total		\$310,154,411	\$4,676,280	\$213,828,428	\$311,041,956	\$887,545	



LCP Phase I - Labrador Transmission Assets Current Year Control Budget, Incurred and Forecast Cost (CAPEX)

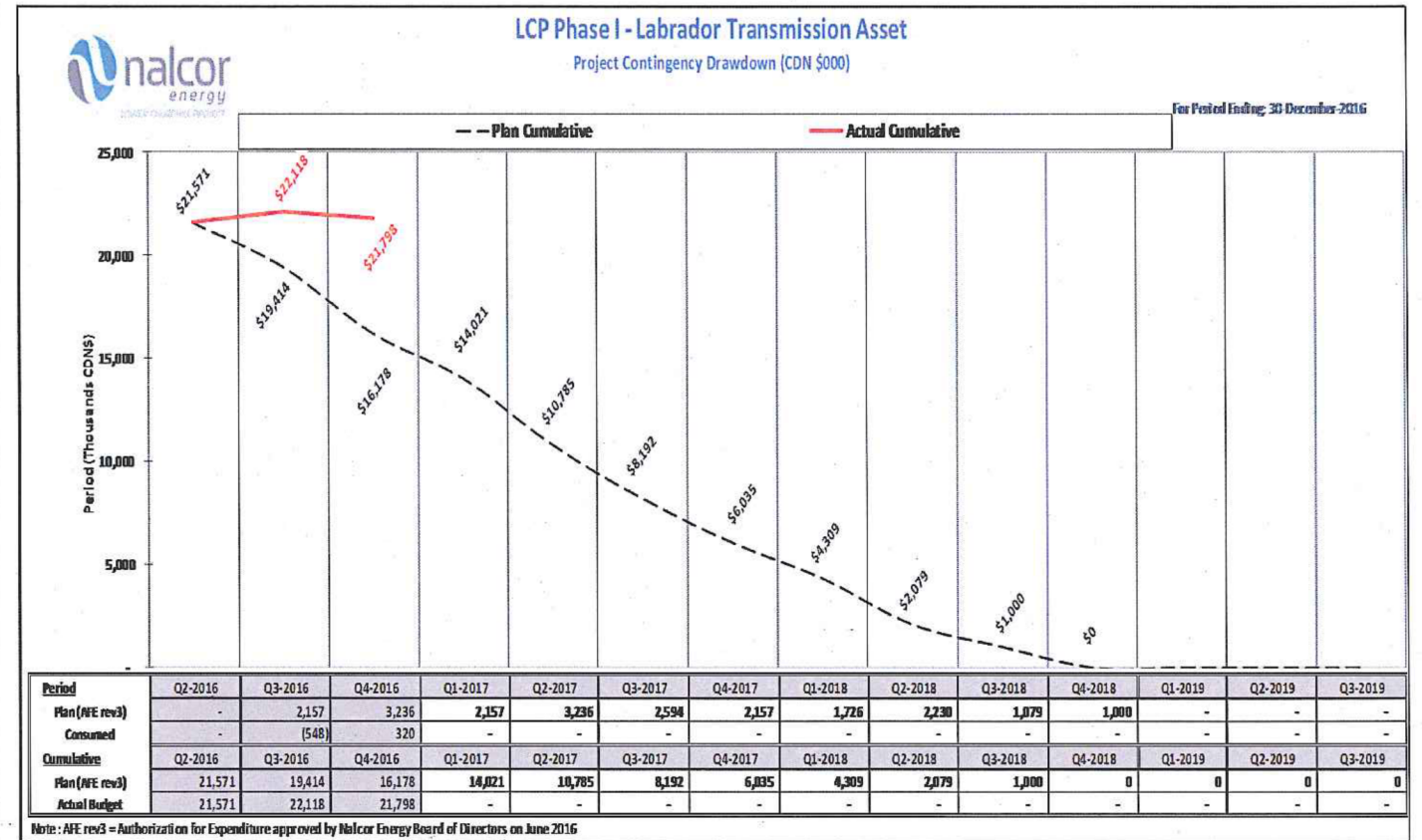
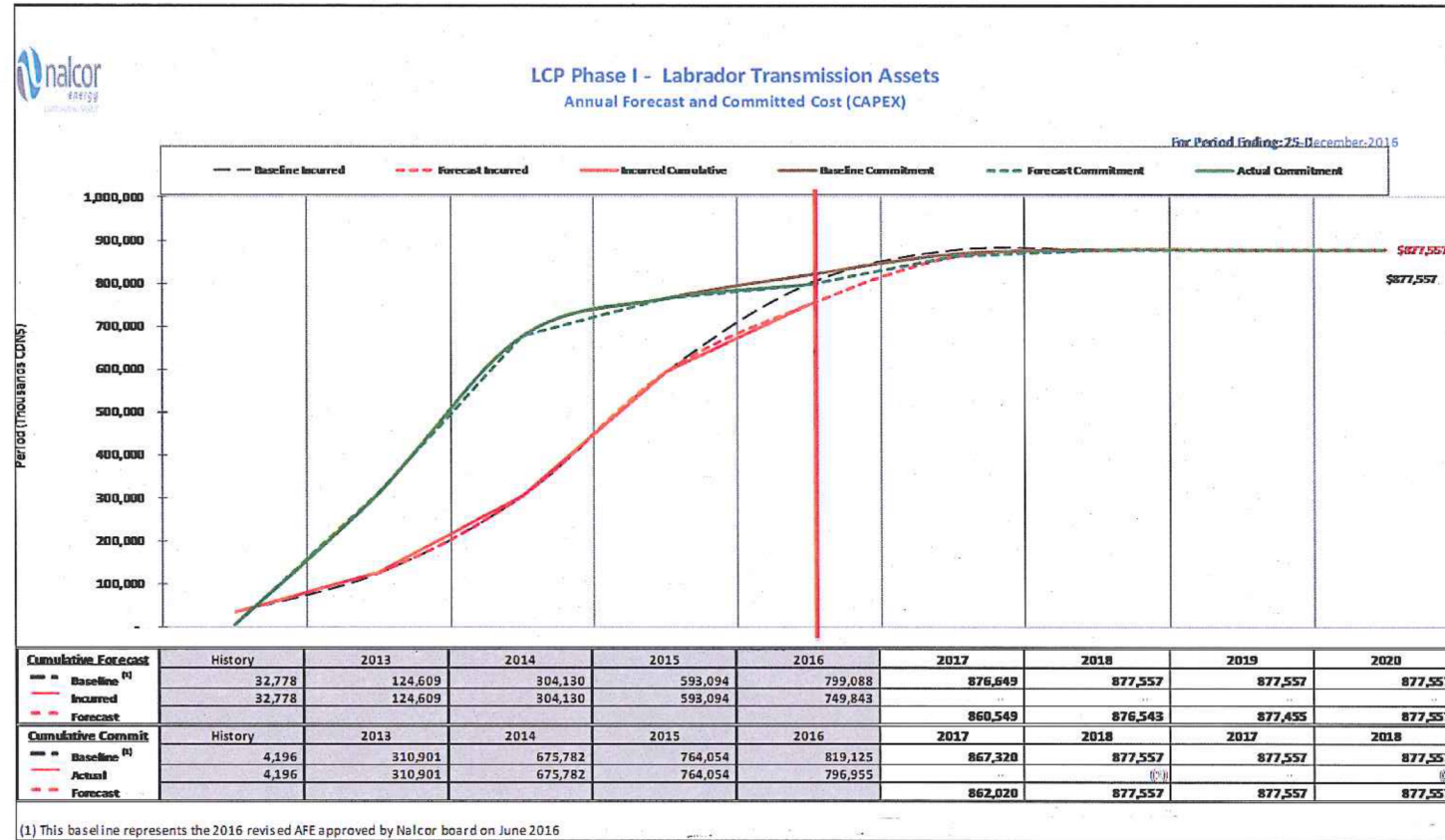
For Period Ending: 25-December-2016



Period	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline	10,950	24,576	10,061	12,433	13,809	12,181	23,004	23,392	24,916	20,794	15,890	13,988
Incurred	10,950	24,576	10,061	12,433	13,809	12,181	14,692	13,364	11,755	10,129	10,676	12,123
Forecast												
Cumulative	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Baseline ⁽¹⁾	10,950	35,526	45,587	58,020	71,829	84,010	107,015	130,407	155,322	176,116	192,006	205,994
Incurred	10,950	35,526	45,587	58,020	71,829	84,010	98,703	112,067	123,822	133,951	144,627	156,749
Forecast												

(1) This baseline represents the 2016 revised AFE approved by Nalcor board on June 2016

LCP Phase I - Labrador Transmission Asset Cost Highlights - December 2016



LCP Phase I - Labrador Transmission Assets
Incurred Highlights - December 2016

1. Monthly incurred

Planned Incurred: 14 M
Incurred: 12.1 M
Variance: (1.9) M

Main Causes:

- Mainly due to incurred lower than the project planned baseline for:

o The Owner's Cost

2. Yearly Incurred (2016)

Planned Incurred for 2016: 206 M
Incurred yearly to date: 156.8 M
Forecast for 2016: 156.8 M
Variance (Forecast vs planned) : (49.2) M (23.9%)

Main Causes:

- Mainly due to incurred lower than the project planned baseline for:

o The acTL construction due to slippage of the 735 kV scope to early 2017 and a reduction in the contract overall final Forecast cost
o The Switchyards contract
o The Owner's cost
o Lower than expected use of Contingency

LCP Phase I - Labrador Transmission Assets
Cost Highlights - December 2016

Major Risk Items^(*)

- 1- Commercial claims from prime contractor - Alstom (DCSR134)
- 2- Commercial risk due to constraints of the GWAC

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Not in FFC - Early Stage/ Low Accuracy regarding Strategy and Cost Impact)^(**)

- 1- Muskrat Falls Demonstrations and Protests - October 2016 (DAN-2259)
- 2- savings on grounding requirements (DAN928/929)
- 3- Saving on Owner's cost
- 4- Commercial claim from GE civil works subcontractors - (Pomerleau has a claim for 63 M)

Key Issues / Opportunities Under Study > (+/- \$ 1M) (Part of FFC - Advanced Stage/ High Accuracy regarding Strategy and Cost Impact)^(**)

- 1- Saving on Final contract value for the ac TL construction - preliminary saving of 2.7 M is forecasted
- 2- Cancelling the second pass mulching (\$ -2 M)
- 3- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ +7.5 M)

FFC Monthly Variance

- 1- Cost Allocation for MF Accommodations Across Assets (PCN-704) (\$ +7.5 M)

(*) Risk Items are items that may or may not materialize through the duration of the project, regardless of accounting for them in the budget or not

(**) Potential Issues are material changes affecting the overall cost value of a package. Their value needs to be offset through the use of Contingency

Expected Contingency Draw down (LTA)

31-December-2016

PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
AFE Rev3 Contingency (end of Jun 2016)		21,570,926				
630	Civil contracting strategy change and resolution of other outstanding major change orders	-1,105,826	Approved			
653	Technical Assistance for Transformer Assembly	265,580	Approved			
659	Stringing of the 138 kV Under-build for 25 kV Construction Power	338,929	Approved			
678 rev1	Reservation of Rooms at HVGB (for 2016 only)	43,251	Approved			
683	Reservation of Rooms at HVGB (for 2016 only)	30,880	Approved			
690	Muskkrat Falls - Demonstrations and Protests (October 2016)	200,000	Approved			
Available Contingency		21,798,112				
PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
704	Cost Allocation for MF Accommodations Across Assets	7,509,215	Under Review	January		Short Term
DAN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
928/929	savings on grounding requirements	-2,000,000	Under Review	January		Short Term
2086	Erosion control is required on the HVac line (CT0319) at a number of locations	250,000	Created	February		Short Term
2176	Requirement of Ground Grid Resistance Measurement at Churchill Falls	67,780	Under Review	February		Short Term
2210	NCR Adjustment on CT0319-001 for grout issue with some rock anchors	-274,017	Under Review	February		Short Term
2234	Removal of Culverts AR-127 on HVac line	50,000	Under Review	February		Short Term
2246	Review of OPGW test results review on HVac line	20,000	Under Review	February		Short Term
2267	Installation of Interposing CT's within Protection Panels at Churchill Falls	50,000	Created	February	need follow up by Cost controllers	Short Term
2316	Change in foundation to Micropile on 735 kV CF	776,458	Under Review	January		Short Term
2330	Placement Temporary Fence During GWAC Season	62,000	Created	January	This is a request by CFLCO	Short Term
2360	CD0502 - CF - Construction Power - CF(L)Co. Cable Replacement Cost	200,000	Created	February		Short Term
2377	600 Vac Supply at CF(L)Co (CD0502)	TBD	Created	February	design modifications to install the breakers due to an existing older type model Switchgear	Short Term
N/A	Cancelling the second pass mulching	-2,000,000		January		Short Term
Non Reserved Contingency (1)		14,586,676				

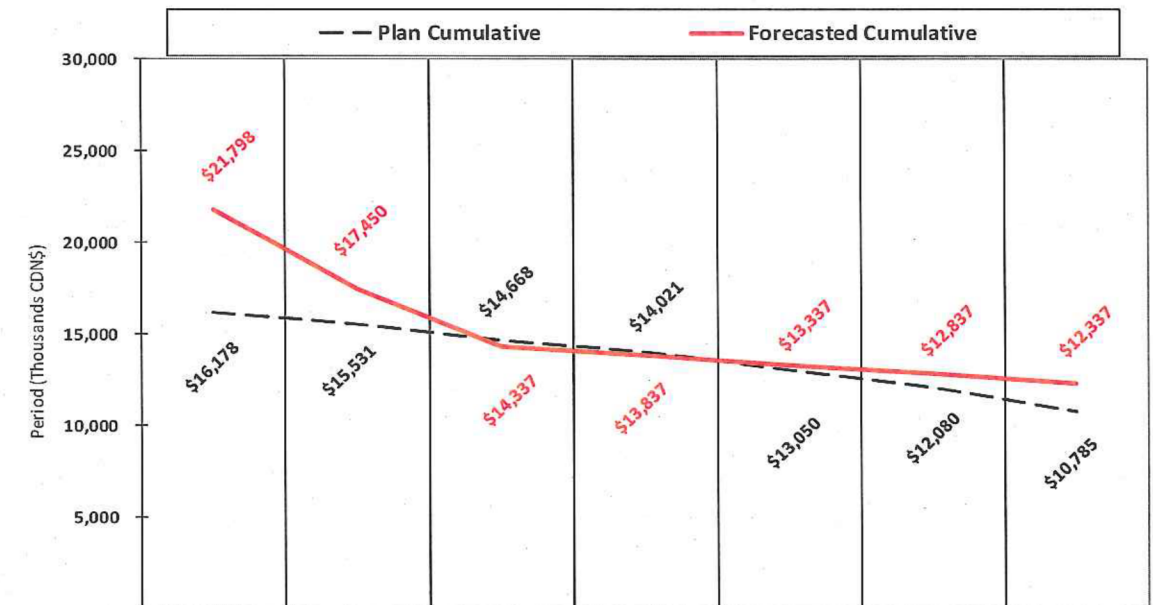
PCN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
DAN #	Description	Value (\$)	Status	Target Commitment Date	Comments	Timeline of Impact
N/A	Overall saving on the AC line construction	-4,000,000				Long Term
2349	Cost Impacts due to Protest Activities at MFG Site October 2016 - Claims and Schedule Delays	TBD	PCN Required			Long Term
N/A	Owner's cost variance	-9,240,772			As per latest MFL	Long Term
Total Long Term items (2)		-13,240,772				

Remaining Contingency (3 = 1-2) 27,827,448

Up to PCN 704 and DAN 2379

Short term = up to 6 month ahead
Long Term = After 6 months

LCP Phase I - Labrador Transmission Assets
Project Contingency Drawdown for the next 6 Months (CDN \$000)



Period Consumed	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	971	647	863	647	971	971	1,294
Actual / Forecasted	-	4,348	3,114	500	500	500	500
Cumulative Available	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Plan (AFE rev3)	16,178	15,531	14,668	14,021	13,050	12,080	10,785
Actual / Forecasted	21,798	17,450	14,337	13,837	13,337	12,837	12,337

Note 1: AFE rev3 = Authorization for Expenditure approved by Nalcor Energy Board of Directors on June 2016

January	<ul style="list-style-type: none"> savings on grounding requirements / DAN-928/929 (\$ 2 M) Cancellation of the second pass mulching (DAN required) (\$ 2 M) Placement Temporary Fence During GWAC Season / DAN-2330 +\$ 0.06 M Cost Allocation for MF Accommodations Across Assets / PCN-704 +\$ 7.5 M Change in foundation to Micropile on 735 kV CF / DAN-2316 +\$ 0.78 M
February	<ul style="list-style-type: none"> Review of OPGW test results review on HVac line / DAN-2246 +\$ 0.02 M Removal of Culverts AR-127 on HVac line / DAN-2234 +\$ 0.05 M NCR Adjustment on CT0319-001 for grout issue with some rock anchors / DAN-2210 (\$ 0.3) M Requirement of Ground Grid Resistance Measurement at Churchill Falls / DAN-2176 +\$ 0.07 M Erosion control is required on the HVac line at a number of locations / DAN-2086 +\$ 0.25 M Installation of Interposing CT's within Protection Panels at Churchill Falls / DAN-2267 +\$ 0.05 M 600 Vac Supply at CF(L)Co (CD0502) / DAN-2377 TBD CD0502 - CF - Construction Power - CF(L)Co. Cable Replacement Cost / DAN-2360 +\$ 0.2 M Contingency +\$ 0.25 M
March	Contingency +\$ 0.5 M
April	Contingency +\$ 0.5 M
May	Contingency +\$ 0.5 M
June	Contingency +\$ 0.5 M

Labrador Transmission Assets Cost Report - December 2016

CP	Description	OCB	Scope changes	CCB	Commitments	Outstanding changes	Trends	Unawarded scope	Incurred this period	Incurred to date	Forecast	Forecast variance	Variance
Closed Pac	N/A	235,013,150	-126,472,071	108,541,079	108,464,291	0	0	76,786	49,270	108,541,080	108,541,077	0	1
Sub-Total	Closed Packages	235,013,150	-126,472,071	108,541,079	108,464,291	0	0	76,786	49,270	108,541,080	108,541,077	0	1
CD0502	Construction of AC Substations	67,261,289							7,542,757	120,815,521			
CD0504	Civil and Building Works Converters	0							2,685,648	44,293,238			
CD0509	Construction Telecommunication Services - Phase 2	69,886							1,347	54,374			
CD0510	Supply and Install Permanent Communication Systems	6,039,754							0	1,241,397			
CD0566	Supply of Construction power	0	198,445	198,445	187,210	0	5,150	6,085	5,715	122,417	198,445	0	0
CH0007	Construction of Intake and Powerhouse, Spillway and Transition Dams	0							-12,367	134,020			
CH0029	Site restoration	0							0	0			
CH0068	Construction power facilities- Balance of works	0							0	16,464			
CT0319	Construction of 315 kV Hvac Transmission Line (MF to CF)	200,262,088	70,199,181	270,461,269	263,567,552	0	302,112	3,891,604	0	258,244,057	267,761,268	0	2,700,000
CT0327	Construction of 350 kV HVdc Transmission Line - (construction)	0	396,697	396,697	396,697	0	0	0	0	402,816	396,697	0	0
CT0341	Clearing of ROW Hvac TL	30,703,771	14,108,158	44,811,929	42,786,329	0	0	25,600	0	42,786,329	42,811,929	0	2,000,000
CT0354	Hvac Marshaling Yards HVGB	0	2,563,879	2,563,879	2,486,899	0	76,980	0	0	2,486,898	2,563,879	0	-1
PH0070	MF Accommodation Expansion	0	0	0	0	0	3,404,000	0	0	0	3,404,000	3,404,000	-3,404,000
PT0300	Supply of conductors - Hvac	20,880,983	-7,097,166	13,783,817	13,543,612	0	0	240,205	0	13,543,612	13,783,817	0	0
PT0302	Supply of Towers - Hvac	24,434,086	-3,437,717	20,996,369	20,996,369	0	0	0	0	20,800,603	20,996,369	0	0
PT0303	Supply of Hardwares - Hvac	12,835,064	-3,964,973	8,870,091	8,835,804	33,735	0	552	0	8,797,004	8,870,091	0	0
PT0304	Supply of OPGW - Hvac	2,472,133	-592,632	1,879,501	1,761,536	0	55,282	62,683	0	1,761,536	1,879,501	0	0
PT0326	Supply of steel wires - Hvac	2,885,849	760,628	3,646,477	3,642,592	0	3,886	0	0	3,642,592	3,646,477	0	0
PT0330	Supply of Steel Towers - 350 kV HVdc	0	10,490	10,490	0	0	0	10,490	0	0	10,490	0	0
PT0335	Supply of Anchor Materials - 315 kV HVdc	1,988,073	1,528,391	3,516,464	3,514,245	0	0	2,220	0	3,514,245	3,516,464	0	0
SD0560	Provision of early works and starter camp telecom (MF)	0							-3,675	452,679			
SD0564	CF camp services	103,824	16,535,837	16,639,661	13,355,865	0	917,134	2,366,663	532,615	12,303,589	16,639,662	0	-1
SD0568	C3 site office supplies	0	14,000	14,000	14,000	0	0	0	27	2,117	14,000	0	0
SH0018	Provision of Catering, Housekeeping and Janitorial Services (MF)	0							286,211	1,987,889			
SH0022	Provision of Fuel Supply and Dispensing Services (MF)	0							0	628,275			
SH0040	Provision of Garbage Removal and Disposal Services (MF)	0							18,974	311,578			
SH0041	Provision of Ground Transportation Services (HVGB to MF)	0							1,772	6,517			
SM0700	Provision of General Freight Forwarding Services	528,515							101,334	14,175,406			
SM0701	3rd party quality surveillance and inspection	1,146,823							6,703	1,063,224			
SM0706	Supply and Maintenance of Project Vehicles	173,100							952	269,735			
SM0707	Provision of Helicopter Services	748,712							6,295	378,573			
SM0709	Air transportation services	0							0	346,325			
XF0001	Foreign Exchange Impact	0	1,856,540	1,856,540	1,625,000	0	0	231,540	-181	1,585,032	1,856,540	0	0
XT0001	Reimbursement for GWF claim - C4	0	-12,000,000	-12,000,000	0	0	0	-12,000,000	0	0	-12,000,000	0	0
XX0002	Other scope of work	11,416,285	276,397	11,692,682	10,129,667	0	0	1,563,015	0	8,069,624	11,692,682	0	0
XX0006	Contingency	54,375,314							0	0			
XX0100	Owner's team, Admin services ,EPCM	14,694,328							855,026	73,389,813			
XX0300	Environmental and Regulatory Compliance	699,910							0	813,975			
XX0400	Aboriginal Affairs	188,302							0	0			
XX0900	Commercial and Legal, insurance	2,661,245							39,789	2,854,784			
XXSMFG	MF Site purchase orders	0							4,696	5,685			
Sub-Total	Open Packages	456,569,336	312,446,962	769,016,298	699,770,050	-591,952	7,510,408	62,327,794	12,073,637	641,301,944	769,016,299	0	-1
Total LTA		691,582,486	185,974,891	877,557,377	808,234,341	-591,952	7,510,408	62,404,580	12,122,907	749,843,024	877,557,377	0	0

Owner's Cost - Labrador Transmission Assets

For Period Ending: 25-Dec-2016

ITEM #	SUBCATEGORY	A Current Control Budget (CCB)	Incurred Costs		B Final Forecast Cost (FFC)	C= B - A Variance from CCB	Remarks
			Current Period	Project-to-Date			
100-1	Fee and Services	\$5,066,242	-\$14,320	\$4,621,439	\$4,681,439	-\$384,803	Forecast is based on 5% of LCP cost of \$50,000 per month until End-2018
100-1	LCP Communications	\$162,532	\$319	\$149,259	\$162,219	-\$313	Forecast is based on 5% of LCP cost of \$10,800 per month until End-2018
100-1	LCP Labour Relations External 3rd Party	\$423,654	-\$12,539	\$293,937	\$395,937	-\$27,716	Forecast is based on 5% of LCP cost of \$85,000 per month until End-2018
100-1	Safety Incentive Program	\$77,761	\$1,071	\$68,933	\$89,333	\$11,572	Forecast is based on 5% of LCP cost of \$17,000 per month until End-2018
100-1	Team Building	\$8,969	\$0	\$1,969	\$7,969	-\$1,000	Forecast is based on 5% of LCP cost of \$5,000 per month until End-2018
100-1	Torbay Road Lease	\$1,223,060	-\$23,087	\$966,290	\$1,206,290	-\$16,770	Forecast is based on 5% of LCP cost of \$200,000 per month until End-2018
100-2	Helicopter Services	\$613,306	\$6,295	\$378,573	\$613,306	\$0	Forecast to end of 2018
100-3	Funding	\$83,686	-\$234	\$76,885	\$82,885	-\$800	Forecast is based on 5% of LCP cost of \$5,000 per month until End-2018
100-6	Information Technology	\$924,880	-\$11,652	\$789,981	\$909,981	-\$14,898	Forecast is based on 5% of LCP cost of \$100,000 per month until End-2018
100-7	Lease/Rent/Renovations	\$1,614,526	-\$20,797	\$1,297,744	\$1,513,744	-\$100,782	Forecast is based on 5% of LCP cost of \$180,000 per month until End-2018
100-10	Office Supplies	\$278,143	-\$3,480	\$216,452	\$270,452	-\$7,691	Forecast is based on 5% of LCP cost of \$45,000 per month until End-2018
100-12	Training and Conferences	\$236,517	-\$3,814	\$194,653	\$230,653	-\$5,863	Forecast is based on 5% of LCP cost of \$30,000 per month until End-2018
100-14	Utilities	\$97,860	-\$627	\$55,979	\$97,979	\$118	Forecast is based on 5% of LCP cost of \$35,000 per month until End-2018
100-16	Integrated Commissioning Support Service	\$10,451,497	\$0	\$0	\$10,451,497	\$0	Forecast based on AFE 3.0
100-17	Costs related to Protest Activities	\$0	\$0	\$0	\$0	\$0	
SUB Total 1		\$21,262,632	-\$82,866	\$9,112,094	\$20,713,685	-\$548,947	
100-1.1	Fees and Services (EPCM Salaries Up to 31-Dec-2013)	\$31,404,632	\$0	\$31,404,632	\$31,404,632	\$0	This is to show the labour cost associated with the EPCM consultant prior to intergration. Going forward all labour cost associated with SLI will be incurred under salaries.
100-5	Historical Cost to End of 2007	\$157	\$0	\$157	\$157	\$0	Nothing to forecast. Historical cost to end of 2007.
100-8	Membership/Dues	\$0	\$0	\$0	\$0	\$0	Nothing to Forecast.
100-9	Office Equipment	\$188	\$0	\$188	\$188	\$0	Nothing to Forecast.
100-11	Salaries	\$91,311,176	\$927,788	\$68,861,370	\$82,620,875	-\$8,690,302	Based on latest MFL
100-13	Travel and Accommodations	\$1,950,527	\$16,399	\$1,589,004	\$1,949,004	-\$1,523	Forecast is based on 5% of LCP cost of \$300,000 per month until End-2018
100-15	Temporary Materials	\$0	\$0	\$0	\$0	\$0	Nothing to Forecast.
SUB Total 2		\$124,666,680	\$944,187	\$101,855,351	\$115,974,856	-\$8,691,824	
Total		145,929,312	861,321	\$110,967,445	\$136,688,540	-\$9,240,772	