

From: [David Steele](#)
To: [Paul Hickey](#)
Subject: FW: Update from EY
Date: Monday, September 28, 2015 10:35:29 PM
Attachments: [image001.jpg](#)

Fyi...

From: David Steele
Sent: Monday, September 28, 2015 2:27:24 PM
To: Mullaley, Julia; Martin, Craig
Subject: Update from EY

Hello Julia and Craig,

I have worked with our team this morning to review the material sent along and are able to offer the following comments for your consideration. Given that we have received Nalcor's response yesterday evening and an updated response today, we have not been able to conduct a line by line review with an EY prepared response for your consideration.

That being said, based on our initial review, there is nothing significant noted in Nalcor's response that warrants any change to our report. We are confident in our position and our observations and recommendations stand.

As you already know, great care needs to be taken in preparing the "Other Assurance" section of the Oversight Committee's report with respect to these matters. Adding to this, is that Nalcor has presented in their response a significantly different/opposing position to ours. Without adequate time for the Oversight Committee to establish its own position for inclusion in the report, there is a significant risk that an interested stakeholder could read the report and essentially see two separate and opposing positions presented, without the Oversight Committee's position or expectations established.

We request that Oversight Committee include a statement on behalf of EY at the bottom of the "Other Assurance" section: "EY has had limited time to review Nalcor's response. Based on EY's initial limited review, it is of the view that the points raised by Nalcor do not warrant changes in its position and therefore EY stands by its report."

In addition, we also strongly suggest that the Oversight Committee considers including a statement of its position on this matter in its report. We would be happy to meet with you to help you develop this position if that would be helpful.

We have also quickly reviewed the "Commercially Sensitive Flags" document provided by Nalcor to you. The points raised may be alleviated by the fact that we have now removed references to [Astaldi] and the Appendices. Considering these adjustments, it would be prudent for you to circle back to Nalcor to get an agreed upon position on the commercial sensitivity that remains.

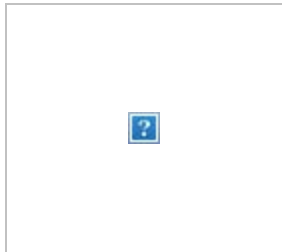
It is currently difficult to understand the specific matters of the commercial sensitivity from the

points (comments in document) raised by Nalcor, as Nalcor has not provided the rationale. The final call on these matters for the purposes of the Oversight Committee report rests with the Oversight Committee. As advised, it would be important to get agreement on the commercially sensitive matters prior to the Oversight Committee's report release... as now that Nalcor has raised these points to the Oversight Committee, legal and financial liability risk could transfer to the Government.

Please reach out to me if you have any questions or comments on this above. Thank you.

Regards,
David

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