

Clarification re: Exhibit P-01829**Prepared by Kirsten Morry, Commission Associate Counsel, June 13, 2019**

- P-01829 is a collection of documents assembled by Paul Harrington, LCP Project Director, that includes a one page explanatory memo, a briefing deck and emails and meeting notices. It was presented by Mr. Harrington to Grant Thornton during their conduct of the Phase 2 forensic audit.
- The covering page of P-01829 identifies the date of the briefing deck as March 2014. The forecast capital cost is listed as \$7.5B.
- The emails in the collection are dated March 2014. There are some files attached to the emails, none of which appears to be a presentation deck.
- Slide 2 of the deck adds \$21 million, \$407 million, and \$99 million to the \$6.99B AFE Rev 1 number to arrive at 7.517 B for the forecast capital cost of the project.
- The briefing deck included in P-01829 has the date 05-Mar-2014 on its initial page. **This is a typographical error; the deck is actually from March 2015. The reference in Mr. Harrington's explanatory memo to this presentation as being dated March 2014 is also in error.**
- **The following parts of Grant Thornton's Phase 2 Report (P-01677) are also inaccurate to the extent that they include a March 2014 \$7.517B capital cost figure:**
 - pg 19 – “Executive FFC vs Public AFE” chart
 - pg 21 – First row in the FFC vs AFE table
 - pg 23 – First and last paragraphs
 - pg 24 – First paragraph, including comments on non-compliance with PMBOK guidance
 - pg 25 – Second last paragraph, including comments on non-compliance with Project Management Institute best practices.

KM Notes/Comments

- P-01829 includes a chart on page 14 which shows increases proceeding from \$6.99B – the amount for AFE Rev 1, which had not yet been approved in March 2014.
- I have inspected several PowerPoint decks (NAL1878207, NAL4241393, NAL1750571, NAL7038967, NAL5038354, NAL5038369) which are very similar to the slides extracted in P-01829. They all have a total capital cost figure of 7.517B, matching exhibit P-01829, but the breakdown of the additional costs differs slightly from the numbers in P-01829. The file titles include “05-Mar 2015” or “06-Mar-2015,” but some of them have the March 2014 date on the first slide, like the briefing deck in P-01829.

- **Exhibit P-03779, a memorandum prepared by Project Controls Manager Tanya Power, includes the following note:**

*“NOTE: I have been informed by Nalcor legal counsel that exhibit **P-01829** includes a presentation titled “Muskrat Falls Project Cost Update 5-Mar-2014” that has a section which referenced a \$7.5B forecast, but that Paul Harrington has confirmed that the correct date of this presentation should be March 5, 2015.”*

- The management outlook cost deck she identified corresponding to February 2014 had an FFC figure of \$7.190 billion, in contrast to the \$7.517 figure in the P-01829 slide deck. (P-03779)