

Date : 4/15/2014 6:42:57 PM
From : "Collingwood, Jennifer"
To : "Quinton, Diana" , "Boland, Tracey" , "Brown, Milly"
Cc : "Power, Glenda" , "Howard, Jacquelyn"
Subject : Fw: Project overruns at Muskrat Falls will fall to ratepayers
Attachment : Project overruns at Muskrat Falls will fall to ratepayers_April 15 2014.doc;

Sent from my BlackBerry 10 smartphone.

From: oppositionnewsreleas
Sent: Tuesday, April 15, 2014 6:27 PM
To: Foote, Carla
Subject: Project overruns at Muskrat Falls will fall to ratepayers

April 15, 2014
For Immediate Release

Project overruns at Muskrat Falls will fall to ratepayers

Opposition Leader Dwight Ball is critical of the secret approach Government is taking on the cost overruns and the amount of power anticipated from the Muskrat Falls Project. Ball was referring to Nalcor's release today of the report of the Independent Engineer overseeing the mega-project for government.

Government is refusing to release details on potential cost overruns for the Muskrat Falls Project, citing commercial sensitivities with ongoing contractors, said Ball. We knew there would be cost overruns with a project already projected to cost ratepayers \$6.2 Billion, what we never anticipated is that they would come so soon after construction started and that the exact dollar figure would be kept secret.

The November 2013 report of the Independent Engineer (MWH Canada) recommended an increase in the estimates for contingency of the capital budget of the project now that there will likely be a hike in labour and material costs given that Nalcor is facing pressure from outside markets.

With the potential for a delay in the delivery of first power by 2017, the risk of even greater cost overruns will be downloaded to ratepayers who are legislated to pay the full price of this mega-project, added Ball. A year into the Muskrat Falls Project and there are still just as many questions as before the project was sanctioned; we still do not know the final cost and the amount of energy that will be generated.

Ball questioned why sections of the report of the Independent Engineer specific to the total available power generated from the project have been redacted. If Nalcor or Government anticipated an increase in the megawatts of power they would be quick to make that number public, instead they have blacked out the figures contained in this report, noted Ball. This raises even more questions on the impact of the Muskrat Falls Project to our province and ratepayers.

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Media Contact: Carla Foote | Director of Communications | Office of the Official Opposition | 729-6151 | 691-6673 E copies
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Office of the Official Opposition
NEWS RELEASE

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