

Date : 9/30/2015 11:35:56 AM

From : "Scott, Brian"

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Subject : CBC - Muskrat Falls cost increase shows poor management from Nalcor, says Dwight Ball

Muskrat Falls cost increase shows poor management from Nalcor, says Dwight Ball

[CBC News](#) Posted: Sep 30, 2015 11:24 AMNT Last Updated: Sep 30, 2015 11:24 AMNT

Newfoundland and Labrador Liberal Leader Dwight Ball says a recent announcement that the [Muskrat Falls project](#) is over budget is bad news for taxpayers in the province and illustrates inadequate planning on the part of Nalcor.

"It's certainly disheartening for me, and the people of the province should today be saddened by this," Ball told CBC's *On The Go* on Tuesday

"We know that every penny, every dollar that this project goes over budget will impact future electricity rates in our province," Ball said.

On Tuesday, Nalcor CEO Ed Martin revealed the construction cost for Muskrat Falls is now forecast at \$7.65-billion — up from \$6.99-billion which was set in June 2014.

Ball said Martin's numbers are actually lower than the real increase, as they don't take into account previous spikes in the estimated cost of the project.

"They say it's a 10 per cent increase, but that's just a 10 per cent increase this year," he said.

"When this project was first announced, it was at \$6.2-billion. So this is really a 20 per cent increase."

No need for costs to keep rising

Ball rejected the notion that any massive project like Muskrat Falls is bound to have those types of cost increases. He said there were assurances by government during early planning that the price wouldn't rise.

"We were told no contingency plan was needed and that costs didn't have to go up," he said.

"Now, here we are not even half way through and the schedule is still in question and the budget is still in question."

During the announcement on Tuesday, Ed Martin also said the first power to come from Muskrat Falls - which originally was supposed to be generated by December 2017 - has been pushed to 2018.

Ball said these changes in the plan should call into question the ability of Nalcor to effectively deliver the project. He wants to see Premier Paul Davis step in and do something about what he called "the poor management" at Nalcor.

He said while he worries about how big a bill taxpayers are going to be stuck with if and when the project is finished, he thinks province has no choice but to keep moving forward with the massive undertaking.

"We need to get this project back in line," he said.

"A failed Muskrat Falls project does not benefit anyone at all. It reduces the confidence of people in the province to do other major projects."