



January 21, 2014

## **Correcting misinformation pumped out in recent blog**

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On January 20, 2014, a blog titled *Muskrat Falls "on ice": news from the field*, was posted online by Des Sullivan. The blog contained a significant number of inaccuracies about the Muskrat Falls Project and construction activities underway in Labrador, and falsely suggested that the project would see significant delays as a result of regular operational activities carried out at site in December 2013.

Nalcor Energy is using industry best practices and proven processes for hydroelectric developments. We have a highly-skilled team leading this project in St. John's and on the ground in Labrador. This is a team with world-class expertise in large projects, which includes Newfoundlanders and Labradorians who have worked around the world managing and constructing large projects such as this.

Throughout 2013, construction activity at the Muskrat Falls site focused largely on bulk excavation. By the end of the year this work was nearing completion as scheduled, and approximately 2.5 million cubic metres of rock had been removed from the bulk excavation area in preparation for construction of the powerhouse for the hydroelectric generating facility.

As part of the contract for bulk excavation, a pumping system was established to help maintain a dry environment at the powerhouse site. That system was operated as intended by the bulk excavation contractor throughout their contract. In December 2013, the excavated powerhouse and spillway areas along with operation of the equipment was transferred to Astaldi Canada, the company contracted to build the powerhouse and other major civil works at the Muskrat Falls site.

Mr. Sullivan is ill-informed on the operations of the Muskrat Falls site as well as the purpose of the equipment on site. Despite his claims, dewatering the powerhouse area was not required following the bulk excavation work in December, and there is negligible ice buildup in the excavated areas at Muskrat Falls today.

Contrary to Mr. Sullivan's blog, the Muskrat Falls site did not shut down over the holidays. The safety of our workers and contractors is our number one priority at Nalcor. All essential services are maintained 24 hours a day and construction managers were on site as normal during that period.

Overall, construction is progressing as planned at Muskrat Falls and construction of the powerhouse is expected to begin early this year. Major milestones were achieved in 2013 and we expect to see these achievements continue for all components of the project in the 2014 construction year.

A postscript to my previous statement in response to further comments by Des Sullivan on January 21, 2014:

Notwithstanding my previous statement above clarifying our operations over the holidays, Mr. Sullivan continues to raise questions.

Following are my responses to his last round of questions and statements posted on his blog on January 21, 2014:

1. Was the road to the construction site plowed? **Yes, it was.**
2. Was a fuel truck prevented from making deliveries? **No, it was not.**
3. Did dewatering pumps run out of fuel? **No, they did not.**
4. Was there a failure of management on site? **No, there was not.**
5. Are there any discussions between Nalcor and Alstaldi regarding this event? **Since there was no event to discuss, no discussions were held. As previously noted, there was no operational reason to continue dewatering over Christmas.**

As I noted in my first response to Mr. Sullivan's blog, responsibility for various activities associated with a contractor's operations are often assigned to the contractor in question. Mr. Sullivan's comments on the distribution of work among Nalcor, SNC-Lavalin, Astaldi, and other contractors are ill-informed, as such responsibilities are typically assigned to the party in the best position to take them on.