Q. It is understood that the overhead line will be designed by Nalcor and will be 1 2 constructed by separate contractors. Please explain the project management and 3 technical expertise that Nalcor has available to plan all interfaces between 4 contracts and to manage interface issues as they arise. 5 6 7 A. The design of the overhead lines was carried out by SNC Lavalin, a very experienced 8 engineering company with qualified and experienced engineers and designers who 9 have the technical expertise required to plan the interfaces under the Integrated 10 Project Management team established for the Lower Churchill Project. 11 12 The Independent Engineer reviewed the Integrated Project Management team that 13 has been established for the Project and Section 3.8 of that report states: 14 15 Nalcor also selected a Canadian Engineering firm that has not 16 only prepared numerous designs for hydroelectric projects 17 and other projects in Canada, but worldwide. Following Nalcor's philosophy of project development and management, 18 19 Nalcor shortlisted only tier-one engineering firms to propose 20 on the EPCM services that were awarded to SNC-Lavalin (SNC-21 L). Work is currently ongoing with SNC-L transferring key 22 hydroelectric specialists to St. John's but also performing work 23 in several of their other offices in Canada. 24 25 Nalcor has also engaged very experienced consultants who 26 have been employed on megaprojects in Canada and 27 internationally to assist permanent staff, but who work solely

Island Interconnected System Supply Issues and Power Outages

Page 2 of 2

1 on the LCP and hold key positions of management on this 2 project. The guidance the Nalcor team provides to its EPCM 3 contractor, and to the contractors it has engaged, should allow early detection and resolution of any issues that may or 4 will occur during the construction of the LCP. 5 6 7 Regarding the construction of the transmission line by separate contractors, there is 8 a single contractor responsible for the assembly, erection of the transmitting 9 towers, foundations and conductor stringing of both the HVac lines between Muskrat Falls and Churchill Falls and the HVdc line between Muskrat Falls and 10 11 Soldiers Pond. Interfaces are therefore limited to the termination points at the 12 switch yards at Churchill Falls, Muskrat Falls and Soldiers Pond. In addition, there are interfaces at the transition between the overhead and land cable on either side 13 14 of the Strait of Belle Isle. These interfaces are relatively straightforward and are 15 clearly identified on drawings and in contract scopes of work. 16 17 The management of interface issues as they arise are a normal part of good project 18 management that the Lower Churchill Project team are dealing with on an ongoing

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basis.