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Delivered by Email

The Honourable Justice Richard LeBlanc, Commissioner
Commission of Inquiry Respecting the Muskrat Falls Project
5th Floor, 502, Beothuck Building
20 Crosbie Place
St. John's, NL A1B 3Y8

Dear Commissioner:

**Re: Application for Standing before the Commission of Inquiry Respecting
the Muskrat Falls Project**

Grid Solutions Canada ULC (“Grid Solutions”) seeks limited standing at the Commission of Inquiry Respecting the Muskrat Falls Project (the “Inquiry”), in respect of section 4(b) of the Terms of Reference, as it relates to its interests. Grid Solutions requests its counsel be permitted to attend and participate in Phase Two of the public hearings where its interests are implicated, and to make submissions at the conclusion of the Inquiry related to its interests.

Grid Solutions is a corporation, incorporated pursuant to the laws of the Province of British Columbia and having its head office in the City of La Prairie, Quebec. Grid Solutions, as Contractor, entered into two agreements for the Muskrat Falls Project for the Muskrat Falls, Churchill Falls, and Soldier’s Pond sites: (i) Supply and Install Agreement No. CD0501-001 for Converter Stations and Transition Compounds with Labrador-Island Link Limited Partnership (“Contract 501”); and (ii) Engineering, Procure and Construct Agreement No. CD0502-001 for the Construction of AC Substations with Labrador Transmission Corporation and Labrador-Island Link Limited Partnership (“Contract 502”). Both Contract 501 and Contract 502 were amended during the progression of the Muskrat Falls Project. Labrador Transmission Corporation and Labrador-Island Link Limited Partnership are referred to as the “Company” and/or Nalcor.

Grid Solutions is also designated as the Civil Works Engineer in respect of the Civil Works Agreement No. CD0504-001 for HVdc Specialties at Soldiers Pond between Nalcor and H.J. O’Connell Construction Limited (“HJOC”) and Civil Works Agreement No. CD504-002 for HVdc Specialties at Muskrat Falls and Churchill Falls between Nalcor and Pomerleau Inc. (“Pomerleau”).

Further to section 4(b) of the Terms of Reference, Phase Two of the Inquiry relates to the construction of the Muskrat Falls Project, and shall consider why there are significant differences between the estimated costs at the time of sanction and the actual costs during project execution. This will include an evaluation of the contractual arrangements between Nalcor and Contractors,

such as Grid Solutions, as well as the overall procurement strategy developed by Nalcor to subdivide the project into multiple construction packages.

The Interpretation of the Terms of Reference dated March 14, 2018 confirms that the Inquiry's work and mandate is primarily focused on, among other things, the reasons why the costs of construction of the Project have escalated from the initial estimates made.

Rule 10 of the Inquiry's Rules of Procedure, citing section 5(2) of the *Public Inquiries Act, 2006*, confirm that an entity may be granted standing by the Commissioner after considering whether:

- (a) its participation would further the conduct of the Inquiry;
- (b) its interests may be adversely affected by the findings of the Commission; and
- (c) its participation would contribute to the openness and fairness of the Inquiry.

Each element supports granting Grid Solutions the limited standing requested.

First, Grid Solutions' participation would further the conduct of the Inquiry. The value of Grid Solutions' participation in the Inquiry has already been acknowledged by Commission Counsel, who have requested representatives of the company meet for interviews and likely testify at the public hearings. Grid Solutions is also in receipt of the Summons to Produce dated January 25, 2019 (the "Summons"), and is working diligently to provide the requested documentation to the Inquiry. Its further involvement as a party with standing will facilitate these procedural steps, and will enhance the evidence obtained during Phase Two of the Inquiry.

Second, the potential for Grid Solutions' interests to be adversely affected by the findings of the Inquiry support its request for partial standing. The Commissioner's findings relating to project management and execution could impact Grid Solutions' reputation and its business prospects going forward. Furthermore, it is anticipated that certain witnesses that will be heard by the Commission may provide evidence with respect to Grid Solutions' involvement in the Muskrat Falls Project.

Finally, Grid Solutions' participation during this phase would contribute to the openness and fairness of the Inquiry. Granting standing to Grid Solutions would enable it to elicit and challenge evidence regarding the central questions of construction and cost escalation, with the goal of ensuring the complete factual matrix is available to assist the Commissioner in developing his recommendations for future such projects.

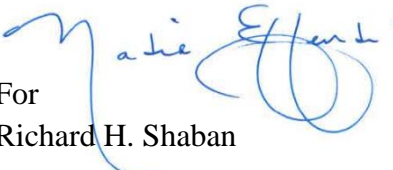
By way of example, Nalcor, as a party with standing, will have the opportunity to cross examine the Grid Solutions representatives that testify at the public hearings, who will be cooperative but nonetheless compelled to attend pursuant to a Summons to Witness. Procedural fairness requires that Grid Solutions similarly be granted the opportunity to cross examine Nalcor representatives on the contracts and construction projects at issue in Phase Two. This would be the best method of ensuring that the evidence in respect of Contract 501 and Contract 502 is fully and fairly tested. In addition, it is possible that representatives of other Contractors may also give evidence at the public hearings that references or implicates Grid Solutions' interests, and fairness requires Grid Solutions the opportunity to challenge that testimony through cross examination.

While Commission Counsel undoubtedly have a critical role to play in ensuring that the complete factual context emerges during the public hearings, direct participation by Grid Solutions would best ensure that its perspective and interests are promoted and protected, particularly where they may be contrary or different from other parties with standing. In addition, in light of the potential that Grid Solutions could be adversely affected by the findings of the Inquiry, particularly with regards to reputation, procedural fairness requires it the opportunity to make submissions at the close of the public hearings in regards to its interests.

Grid Solutions notes the requested deadline for applications for standing was March 28, 2018, though the Commissioner has previously accepted late applications where the party had late notice of its need to seek participation. The concern that Grid Solutions' interests may be adversely affected by findings of the Inquiry, and that its participation would further the conduct of the Inquiry, has only recently crystalized. As a result of the recent discussions with Commission Counsel, and service of the Summons in January 2019, Grid Solutions now believes its participation in the Inquiry is warranted and would further the goals of openness and fairness of the process, by ensuring complete context and perspective are elicited.

Grid Solutions' counsel would be pleased to make further submissions to the Commissioner in support of its application for standing should that be requested. Grid Solutions looks forward to continuing its contribution to the Commission's mandate through further participation as a party with limited standing in the Inquiry.

Yours very truly,


For
Richard H. Shaban