

From: jamesmeaney@nalcenergy.com
To: dawndalley@nalcenergy.com
Cc: koneill@nlh.nl.ca; dsturge@nalcenergy.com
Subject: Re: Fw: Questions regarding the Independent Engineer
Date: Friday, September 6, 2013 4:14:28 PM

OK with me



James Meaney, CFA
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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Dawn Dalley---09/06/2013 04:01:45 PM---Here is the response with my edits. With respect to your first question around government's receipt

From: Dawn Dalley/NLHydro
To: Karen O'Neill/NLHydro@NLHydro
Cc: Derrick Sturge/NLHydro@NLHydro, James Meaney/NLHydro@NLHYDRO
Date: 09/06/2013 04:01 PM
Subject: Re: Fw: Questions regarding the Independent Engineer

Here is the response with my edits.

With respect to your first question around government's receipt of the report, you need to direct this question to the Department of Natural Resources.

You are correct, in accordance with the terms and conditions of the Federal Loan Guarantee, MWH Canada has been engaged as the independent engineer on behalf of the Government of Canada, in its capacity as guarantor, to assist in Canada's technical due diligence of the Muskrat Falls Project. A technical review by MWH is currently underway and will culminate in the delivery of an independent engineer report to coincide with the financial close of debt financing for the project. It is not yet complete and I do not have a firm estimate for completion but expect it will be before year end as you've noted.

The report will include information of a confidential and commercially sensitive nature as a requirement of Nalcor's arrangements for the Federal Loan Guarantee. Due to the nature of the report we ask that you request a copy through the ATIPPA process so it can be handled appropriately.

Dawn

Dawn S. Dalley
Vice President, Corporate Relations
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Karen O'Neill---09/06/2013 02:57:51 PM---I'm just waiting for Diana to review. Here is our response. I told here we'd like to issue later tod

From: Karen O'Neill/NLHydro
To: Dawn Dalley/NLHydro@NLHydro
Date: 09/06/2013 02:57 PM
Subject: Re: Fw: Questions regarding the Independent Engineer

I'm just waiting for Diana to review. Here is our response. I told here we'd like to issue later today.

Regarding your question about your ATTIP request to government, you will need to direct this question to the Department of Natural Resources for further clarification as we cannot answer on behalf of the government.

In accordance with the terms and conditions of the Federal Loan Guarantee, MWH Canada has been engaged as the independent engineer on behalf of the Government of Canada, in its capacity as guarantor, to assist in Canada's technical due diligence of the Muskrat Falls Project. A technical review by MWH is currently underway and will culminate in the delivery of an independent engineer report to coincide with the financial close of debt financing for the project expected later in 2013. The contents of this report will include information of a confidential and commercially sensitive nature as a requirement of Nalcor's arrangements for the Federal Loan Guarantee. The engagement of an independent engineer is commonly associated with the financing of large projects the nature of Muskrat Falls.



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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Dawn Dalley---08/30/2013 03:47:13 PM---Can you pls coordinate a response and advise DNR. Dawn Dalley,

From: Dawn Dalley/NLHydro

To: Karen O'Neill/NLHydro

Date: 08/30/2013 03:47 PM

Subject: Fw: Questions regarding the Independent Engineer

Can you pls coordinate a response and advise DNR.

Dawn Dalley,
VP, Corporate Relations
Nalcor Energy

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From: "Morgan, Ivan" [IvanMorgan@gov.nl.ca]

Sent: 08/30/2013 02:37 PM NDT

To: Dawn Dalley

Subject: Questions regarding the Independent Engineer

Good afternoon Dawn

We are trying to establish where on the timeline (the deadline being December 31, 2013) Nalcor is with its work to ensure it meets the conditions precedent of the Federal Loan Guarantee.

As you are aware, one of the FLG Conditions Precedent stipulates the following:

B. The following conditions precedent (the "FLG Conditions Precedent") must be satisfied by the applicable Borrower in form and substance acceptable to the Guarantor prior to the execution and delivery of the FLG for each Project of such Borrower:

(ix) Review of technical aspects of the Projects, including engineering, water resource and any other required due diligence by the Independent Engineer (as defined herein), and preparation and finalization (as confirmed by the Guarantor and Lenders, acting reasonably) of a technical due diligence report (the "IE DD Report") confirming that the Project execution plans are commercially reasonable, and consistent with Good Utility Practice; and

The response we received from the Department of Natural Resources from an ATTIP we filed, where we asked for all reports presented to the provincial government by the Independent Engineer, MWH Global, as required by the Federal Loan Guarantee Term Sheet, was they “had no responsive records.”

I assume that meant they had yet to receive a report from the Independent Engineer. Is that a correct assumption?

We have a few other questions:

Does Nalcor now have that report in its possession?

Can we have a copy of that report?

If Nalcor does not have a copy, when does Nalcor expect that work to be done, bearing in mind we are almost in the last quarter of 2013?

Will we be able to have a copy of that report when it is completed?

Thanks in advance for your efforts

Ivan

Ivan Morgan

Researcher

Newfoundland and Labrador NDP Caucus

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