



May 29th, 2015

AH -Letter- PM- 021

Muskrat Falls Corporation
Lower Churchill Project Muskrat Falls Corporation
350 Torbay Road Plaza, Suite No. 2
St. John's, NL, A1A 4E1

Attention: Scott O'Brien – Project Manager, Muskrat Falls Generation

Reference: CH0032: Supply and Install Powerhouse and Spillway Hydro-Mechanical Equipment

Subject: -LCP letter- LTR-CH0032001-0028 Exhibit 9 – Interface Milestones
-LCP letter – LTR-CH0032001-0032 - 90 Day Notification Period to Andritz

Dear Mr. O'Brien,

Andritz Hydro acknowledges receipt of the LCP letters in subject regarding the Exhibit 9 - Interface Milestones for the start of spillway installation, and the 90 Day notification period for the same milestones. AH comments and replies to these letters are as follows;

- 1) LTR-CH0032001-0032 states that the 90 Day Notification takes effect upon issuance of the letter. As per LTR-CH0032001-0021, a 90 day notification period would be given to AH for the new Upstream, and Downstream of Spillway ready for start of Hydromechanical Works dates – Milestones I1A and I1B respectively. LTR-CH0032001-0028 describes a partial spillway handover in September 2015 while contractual Milestones I1A and I1B entail a full handover under specific terms described in Exhibit 9. Thus, AH requests clarification on the relevance of the 90 Day notification in the context of the proposed partial spillway handover.
- 2) LTR-CH0032001-0028 point 3 requests AH to review and prepare for discussions on an Early Execution Plan based on the partial handover. In order to better prepare for these discussions, AH requires further details on the partial spillway handover conditions, such as, what areas are free for occupation, co-occupation with other contractors, remaining work to be performed by the civil contractor, access to the worksites, and other information necessary to assess the early start options. It should be noted that AH has very specific concerns in any scenario where



other contractors could be working in the same area as us, and especially when they are working above.

- 3) AH agrees to meet with LCP on this issue in June 2015. AH suggests a separate dedicated meeting that will include representatives from CANMEC, and will held after AH has completed an initial analysis of the Early Execution Plan options. We will revert to LCP with a proposed timeline for the meeting by June 8th, 2015.

Please feel free to contact me should you have any questions.

Yours truly,

A handwritten signature in blue ink, appearing to read "Bill Mavromatis".

Bill Mavromatis
Project Manager
Andritz Hydro Canada Inc.

CC: Frank Gillespie, LCP Deputy Company Representative/Area Manager
Bruce Drover, LCP Package Leader - Hydro Mechanical Equipment
Line Tremblay, LCP Senior Contract Administrator
Rob Murray – AH Large Hydro General Manager

