

**Muskrat Falls Corporation**

Corporate Office  
500 Columbus Drive  
P. O. Box 15000, Stn. A  
St. John's, NL Canada A1B 0M4

LTR-CH0007001-1339

Lower Churchill Project Operations Office  
350 Torbay Road, Suite 2  
St. John's, NL Canada A1A 4E1

27-July-2016

**ASTALDI Canada Inc.**

358 Hamilton River Road  
Happy Valley-Goose Bay, NL  
A0P 1C0 Canada

**Attention:** Don Delarosbil, Project Manager

**Agreement No.:** CH0007- 001  
**Title:** Construction of Intake and Powerhouse, Spillway and Transition Dams  
**Subject:** Astaldi Engineering  
**References:**

Dear Sir

Company can no longer accept any engineering work produced under Contractors permit to practice or by its professional license holders due to serious and well founded concerns with the integrity, quality and safety of the completed work.

Company has reached this conclusion inter alia due to the following;

- The draft tube #2 formwork collapse in which the accuracy of the documents, presence of technical errors and omissions and process for authenticating change are all leading indicators in the investigation
- Tower crane incident laydown Area #9 in which crane was knowingly operated outside of its limits
- Technical errors and omissions with electrical engineering drawings – Reference Code 3 drawings returned by Company
- Technical errors and omissions with the structural drawings for temporary scaffolding – Reference Code 3 drawings by Company

Contractor does not have sufficient management systems, quality control procedures and qualified staff in place necessary to ensure the production of complete and accurate documents free of substantial technical errors and / or omissions. As a result of these incidents and the continued concern regarding the overall integrity of the engineering produced by Contractor, effective immediately, Contractor is required to provide experienced 3rd party engineering for all temporary and/or permanent works.

All work must continue only where it is being performed under engineering documentation verified by an experienced 3rd party engineering consultant. Due to Contractor's failures, Contractor will be held solely

accountable for any and all impacts to the project that may occur resulting from the necessity for 3<sup>rd</sup> party engineering resources as stipulated hereto.

Contractor is required to confirm the name, qualifications and experience of the 3<sup>rd</sup> party resource or resources it intends to utilize in this regard by immediate return correspondence.

Regards,

**Muskrat Falls Corporation**



**Scott O'Brien**  
Company Representative  
Muskrat Falls Generation