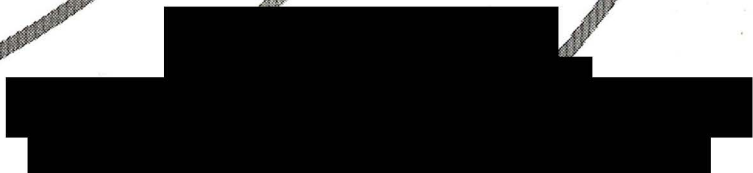




LCP – Project Review/Issue Resolution

November 6, 2017



GE Grid Solutions submission to CIMFP

GE_Musktrat_0000001

Agenda

Summary of Open Issues

Schedule impact to date

Detail overview of outstanding changes

- CFE – P&C Cables
- MFA Transformers
- Equipment Shipped Air
- Soil Condition First Layer 1
- Site Shutdown
- Shunt Reactor
- Soil Condition Soil Sub base
- Accommodations



Summary of Open Issues

- GE has 27 Unresolved Change Requests \$ [REDACTED] .. additional [REDACTED] to be submit
- GE has already performed work on over \$ [REDACTED] of change requests that have not been paid
- The continued failure to resolve the CHR's is impacting GE's ability to perform the work – liens filed – additional monies withheld



Change Requests to Nalcor – Since Feb’17

Description	Delay (days)	CP delay (days)	Cost (CAD)
CFE – P&C Cables	-	-	\$
MFA Transformers	57	57	\$
Equipment Shipped Air	10	-	\$
Site Shutdown	7	-	\$
Soil Condition First Layer 1	35	-	\$
Shunt Reactor	133	165	\$
Soil Condition Soil Sub base	35	-	\$
Accommodations	-	-	\$
Fuseless Capacitor	35	-	\$
Other change requests	-	-	\$
Accumulated	312	165	\$

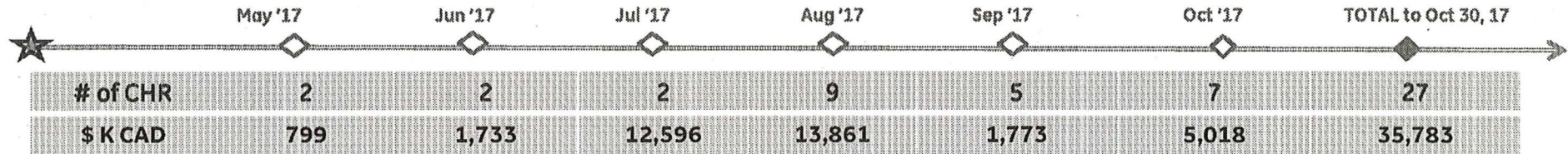
*Change Request to be supplemented to include other costs.
Subject to modification/supplement based on additional impact/winter work, etc.*



[Redacted text block]

November 6, 2017

Unresolved CHRs to Nalcor Issued Since Feb'17



- 502 CFE - P&C Copper Cable
- 502 CFE - P&C Modifications in Existing CFLco Bldg

- 501 Camp Accommodations MFA
- 502 Camp Accommodations MFA

- 501 SOP and MFA Missing Granular Fill and 1st Layer
- 502 CFA, SOP and MFA Missing Granular Fill 1st Layer

- MFA - Site Shutdown from 11-Apr-2017 to 15-April-2017
- SOP - Site Shutdown from 25-May-2017
- Critical Equipment Airfreight
- Transformers Delivery Accommodations and Security
- SOP & MFA - Fuseless Capacitor
- MFA - Import of Conforming material for Mass Backfill
- Control Box Mounting Height
- MFA - Site Shutdown from 11-Apr-2017 to 15-April-2017
- SOP - Site Shutdown from 25-May-2017

- SOP - AC Yard - encountered Unsuitable Material
- MFA - Road deviation due to installation of piles
- CFA - ABB support
- MFA - Shunt Reactor Integration
- CFA-FWO #16 & FWO #17

Legend:

501
502

- TC - Inspection Reports, deficiencies
- SOP - Installation Spare Transformer
- MFA - Installation Spare Transformer
- MFA - Additional drilling, rock
- Transformers Winter Work
- CFA - Bedrocks
- MFA - Bedrocks
- Nov. 17 - Transformer Additional costs

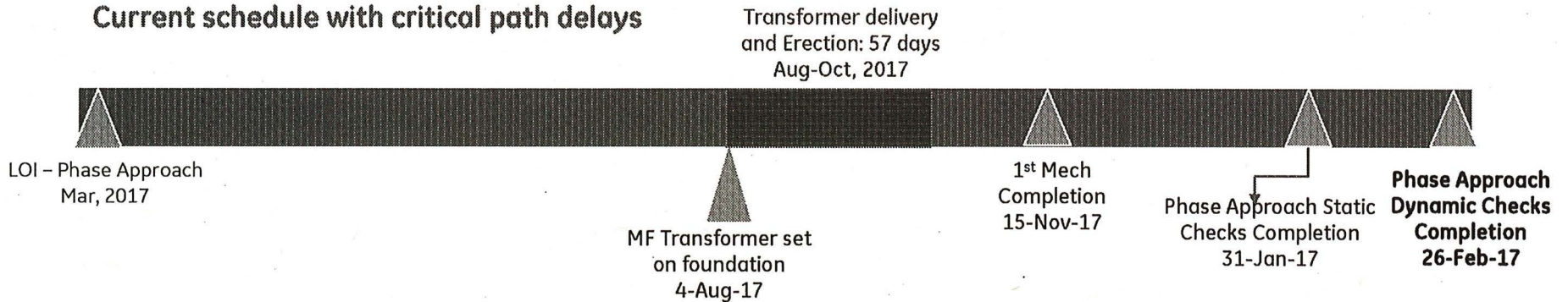


Schedule Analysis due to Critical path delays – Without Shunt Reactor

Baseline Schedule



Current schedule with critical path delays

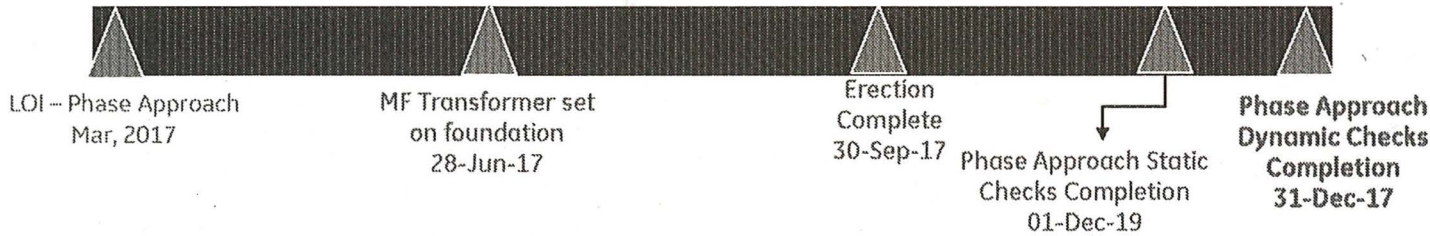


Total Critical delays impact to the completion of phase approach – dynamic checks : 57 days



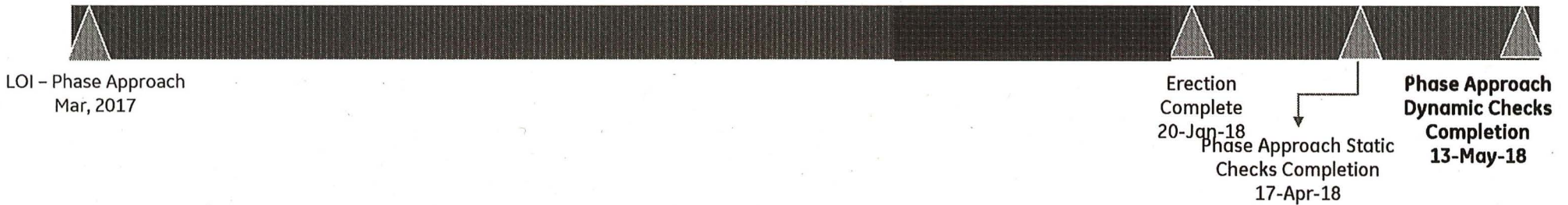
Schedule Analysis due to Critical path delays – With Shunt Reactor

Baseline Schedule



Current schedule with critical path delays

Shunt Reactor: 165 days



Total Critical delays impact the completion of phase approach – dynamic checks : 165 days

- **Current Shunt Reactor critical path delay can increase due to unknown approvals and panels delivery**
- **Current analysis are subject to change order approval by 6-Nov-17**



November 6, 2017

Unresolved CHRs

CHR #	Project	Description	CHR Selling Price
CHR-2029	CD0501	Site Preparation - Missing Granular First Layer in MFA & SOP Rev.01	
CHR-2030 Rev.01	CD0501	MFA Accommodations costs 2-Feb to 01-Sept	
To be issued		MFA Transformers additional logistic expenses. Approx.	
CHR-2032	CD0501	MFA - Site Shutdown between 11-Apr-2017 and 15-Apr-2017	
CHR-2033	CD0501	SOP - Site Shutdown on 25-May-2017	
CHR-2034 Rev.02	CD0501	Equipent Shipped by Airfreight - CPY part	
CHR-2036 Rev.01	CD0501	SOP - AC Yard Foundation Works - Encountered Unsuitable Material (Softened Soil) Replacement	
CHR-2038 Rev.??	CD0501	Converter Transformers deliveries at MFA site - Accommodation and security	
CHR-2042	CD0501	Control Box Mounting Height ECN-0028	
CHR-2043 Rev.02	CD0501	Inspection Reports for Shoal Cove	
CHR-2044	CD0501	SOP and MFA- Fuseless Capacitor	
CHR-2045	CD0501	Import of conforming material for mass backfill	
CHR-2050	CD0501	MFA - Orientation Change for F1 and F2	
CHR-2053	CD0501	MFA Rock Excavation for fence	
CHR-2054	CD0501	MFA and SOP - Spare Transformers	
CHR-2055	CD0501	MFA - Extra Cost for MFA transformer heating	
CHR-0023	CD0502	P&C Modifications in Existing CF(L)Co Building	
CHR-0024	CD0502	Shunt Reactor Integration	
CHR-2024	CD0502	CFE - P&C cables	
CHR-2025 Rev.01	CD0502	Site Preparation - Missing first Layer	
CHR-2027 Rev.01	CD0502	MFA Accommodations costs 2-Feb to 01-Sept	
CHR-2028	CD0502	MFA - Site Shutdown between 11-Apr to 15-Apr	
CHR-2029	CD0502	SOP - Site Shutdown on 25-May-2017	
CHR-2034	CD0502	CFA - FWO #16 and FWO #17	
CHR-2035	CD0502	FWO #18 CFA - ABB support	
CHR-2036 Rev.01	CD0502	CFA - Bedrock	
CHR-2037	CD0502	MFA - Bedrock	
Subtotal			

Change Request to be supplemented to include other costs.

Subject to modification/supplement based on additional impact/winter work, etc.



November 6, 2017

CFE – P&C Cables

CHR-CD0502001-2024



November 6, 2017

CFE P&C Cables – CHR 2024

Issue

- 46 Cables between CFLco and the interface control building at CFE had to be changed from Fiber optic to copper because the existing system could not support fiber optic cables. This scope of work of supply and installation is part of contract CD0510, outside GE's scope of work.

Applicable Contract Provisions

- 26.2 Contractor shall not perform and shall not be entitled to any compensation for a Change without a Change Order issued by Company to Contractor for the Change.

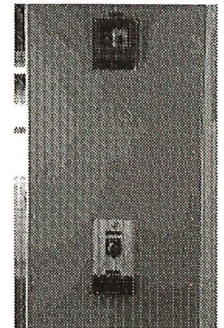
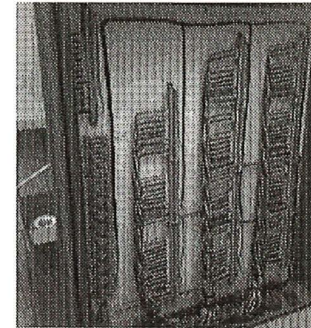
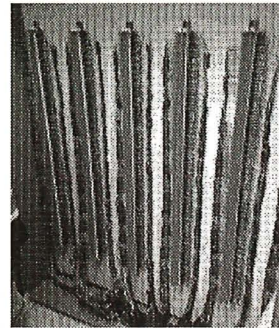
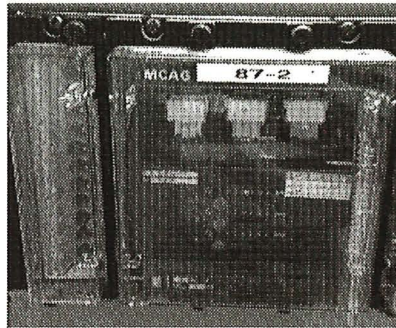
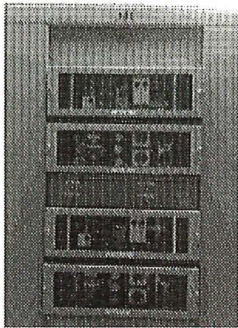
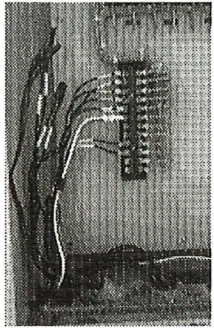
- Completion of the issue was not until Jun'17



CFE P&C Cables - CHR 2024

Issue & Applicable Contract Provisions

- Existing system could not support fiber optic cables.



Existing
CVT

Breaker fail
Static relays

Busbar
protection
electromagnetic
relay

Digital fault
recorder
Existing terminal
copper cables

Existing
breakers
interface
boxes

Old
busbar
protection
panel

NOT POSSIBLE TO USE OPTICAL FIBER AS PER INTERFACE DRAWING



November 6, 2017

CFE P&C Cables – CHR 2024

Applicable Contract Provisions

This scope of work of supply and installation is part of contract CD0510, outside GE's scope of work.

LOWER CHURCHILL PROJECT	ac SUBSTATIONS Scope of Work Specification	Rev	Date
	Nalcor Doc. No. LCP-SN-CD-4000-EL-SP-0002-01	D2	03-Nov-2014

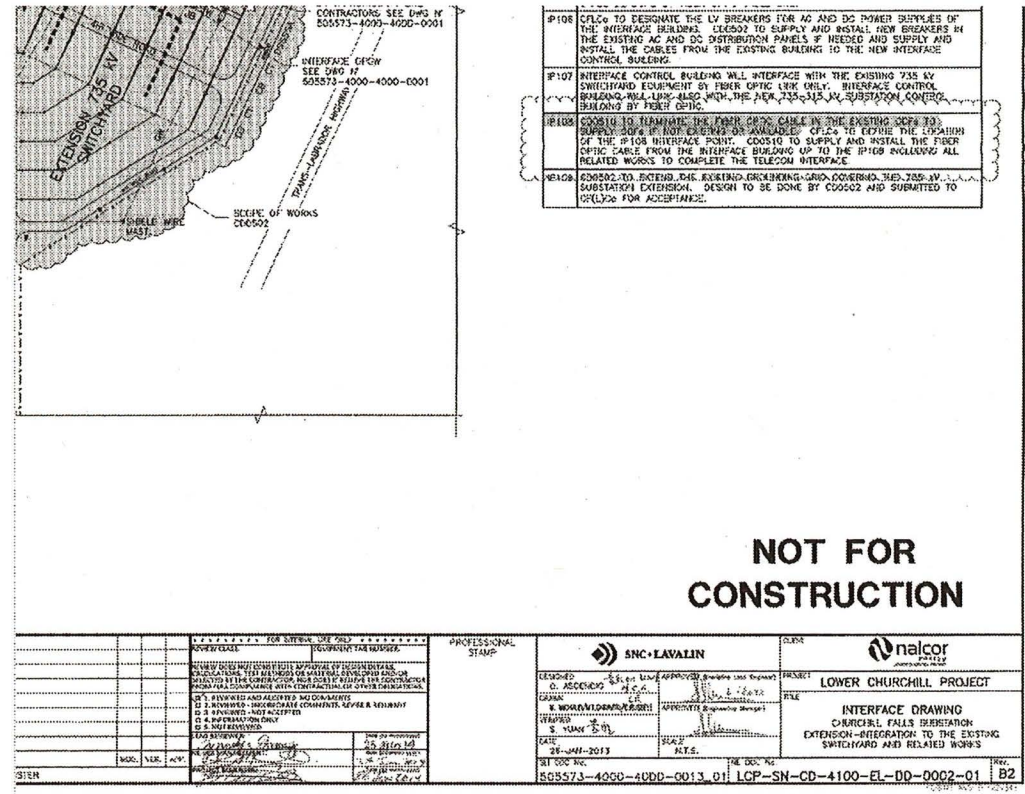
Item No.	Description	By Contractor	By Company's Other Contractors	Interface Point* & Remarks
	ductbank. Design by Contractor, construction by CWC		CWC	check space available in the existing trenches, subject to Company Approval
h)	Company shall designate the breakers for ac and dc power supplies of the new control building. Contractor shall install new breakers in the existing ac and dc distribution panels if needed and install the cables from the existing control building to the interface control building	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Company [CF(L)Co]	IP106 Installation or replacement of breakers may be required by contractor
i)	Cable supply and installation for the ac and dc power supplies from the existing switchyard to the Interface building	<input checked="" type="checkbox"/>		IP106
j)	Interface control building will interface with the existing 735 kV switchyard equipment by fibre optic link only (except ac and dc power supplies). Interface control building will also link with the new 735-315 kV substation by fibre optic	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> CWC/BC	IP107 Construction of ICB by CWC.
k)	CD0510 to terminate the fibre optic cable in the existing ODFs or to supply ODF if non-existing or unavailable. Company [CF(L)Co] shall define the location of IP108 interface point. CD0510 shall supply and install the fibre optic cable from the interface control building up to the IP108	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> CD0510	IP108 Contractor shall provide ducts/trenches, etc.



CFE P&C Cables - CHR 2024

Applicable Contract Provisions

Scope of work was outside GE's Contract; As per Interface drawing LCP-SN-CD-4100-EL-DD-0002-01 IP#105, "all control and protection systems between the existing and the interface building shall be done by fiber optic cable only." Moreover, IP #108 confirms that this fiber optic is to be supplied and installed by CD0510. It is also confirmed in the Scope of Work section 3.3 j)



26.2 Contractor shall not perform and shall not be entitled to any compensation for a Change without a Change Order issued by Company to Contractor for the Change.



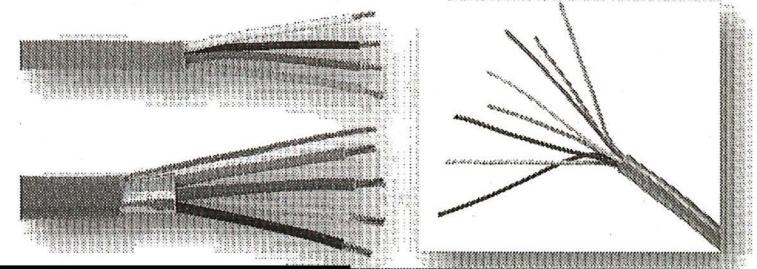
November 6, 2017

CFE P&C Cables - CHR 2024

Status & Impact

- Contractor issued a change request for [REDACTED] CAD to Company.
- April 2017 Contractor received draft list for cable tag from Company.
- June 2017 Contractor received cable tag list & approved termination schedule for construction from Company.
- The work has been completed first week of July-2017.
- On August 20th, 2017 last modification on the breaker trip cabling done for the Bus 246 & Bus 135.

LOWER CHURCHILL PROJECT		CHANGE REQUEST	
Agreement No:	CD0502-001	CHR No. (Reference):	CHR-CD0502001-2024
Agreement Title:	Construction of AC Substations	Rev. No.:	0
Company:	LTC and LILP	CHO No.:	
Contractor/Supplier:	GRID Solutions Canada	Date:	23-May-2017
	CD0502 - CFE P&C cables to existing CFLC building and switchyard		
Title:		Aconex No.:	
		DAN No.:	N/A
Description of Change Request and Reason (attach all supporting information):			
Scope of Work Change:			
Contractor will use copper control cables instead of fiber optic cables between CFLCo and the interface control building at CFE because the existing system could not support such interface.			



November 6, 2017



[REDACTED]

CFE P&C Cables - CHR 2024

Relevant Dates

- May 23, 2017 – GE issued a change request to Nalcor
- July 13, 2017 – Letter from Nalcor rejecting the change request indicating the Contractor proceeded with the design nearly 2 years ago, the agreement of February 2, 1017 and that Contractor failed to provide proper notice.

nalcor
ENERGY GRID SOLUTIONS

Lower Churchill Management Corporation
Lower Churchill Project Operations Office
250 Irving Street, Suite 7
St. John's, NL Canada A1B 4R1

LTR-CD502001-0703
LTR-CD0502-ATC/ALP-AC-0428

13 Jul 2017

Mr. Scott Bianchi
Executive Project Director
2500 SCOTTY DRIVE CAMBRIA VIC
1400 Industrielle, Suite 100
La Prairie, Quebec
H9R 2K9

Subject: Churchill Falls Extension (CFE) P&C Cables to Existing C/LCCO Building and Switchyard
RE: LTR-CD0502001-2017A

Dear Mr. Bianchi,

Company has received Contractor's Change Request (CR-CD0502001-2017A) received 29 May 2017, stating Contractor had to use copper control cable instead of fiber optic cables between the C/LCCO building and the Interface Control Building (ICB), due to the existing system not supporting a fiber optic interface.

Company notes that Contractor's Protection and Control (P&C) design for equipment installed in the ICB does not allow for a fiber optic interface to equipment buildings. Further, Contractor proceeded with this design nearly two years ago as supported by the following documents:

- Site Query SCV-CD0502001-0819 submitted September 2015 - this Site Query clearly indicates CT circuits to be run to C/LCCO relay building.
- Interface Agreement TIC-ACB-ICB-0019 submitted November 2015 - Contractor asked how many signals and where the S.F.R (DFR) signals were to be reconnected.
- Drawing MFA-A-01-0152-PT-006-0037-01 submitted September 2015 - Sheet 2 shows status front relay building to ICB for breaker failure isolate.
- Drawing MFA-A-01-0152-PT-006-0027-01 submitted March 2016 - Sheet 2 shows cable from relay building to ICB for 200-13 breaker failure trip to C/LCCO breakers.
- Drawing MFA-A-01-0152-PT-006-0005-01 submitted March 2016 - Sheet 19 shows cable from relay building to ICB for trip signals from C/LCCO bus protection and breaker failure.
- Access Email Address MFA-009735-0074 by Mr. Elizabeth Gray in October 2016 - Email attachment provided showing a list of cables to be run from the ICB to the equipment building.

Notwithstanding the above, Company rejects Contractor's Change Requests for the following contractual reasons:

- Company and Contractor agreed to release each other from any claims or demands arising out of the performance of the contract set out and including the terms, conditions and warranties of the contract.

a Nalcor Energy company

obligations or accordance with section 14 of the Proposed Approach Amending Agreement titled "Mutual Release and Waiver of Claims".

Contractor has failed to provide proper notice of a Change in accordance with Article 28.8 of the CFEPEL and CFEPEL Agreements (Contractor has an obligation to provide a Change Request within fifteen (15) business days from when Contractor considers a Change has taken place).

Please feel free to contact the undersigned should you wish to discuss this matter further.

Signature
[Signature]
Wenchen Follies
Project Manager, HVDC Specialist

C.C. Shawn Hurley (LCCO) Melissa Kooma (CCMC) Kierze Arab (SS)
Anthony Zamboni (LCCMC) Steven Crane (LCCMC) Alejandro Saldaña (SS)
Mark Sims (LCCMC) Tom Hubbard (SS) Frances Usay (SS)
Pete Sawville (LCCMC) Oliver Hall (SS) Stefan Mandeville (SS)

LTR-CD502-ATC/ALP-AC-0428 Page 2 of 2

Argument that this is released as per Feb. amendment is incorrect... released from performance and non-performance for CD501 & CD502 (not CD510)...

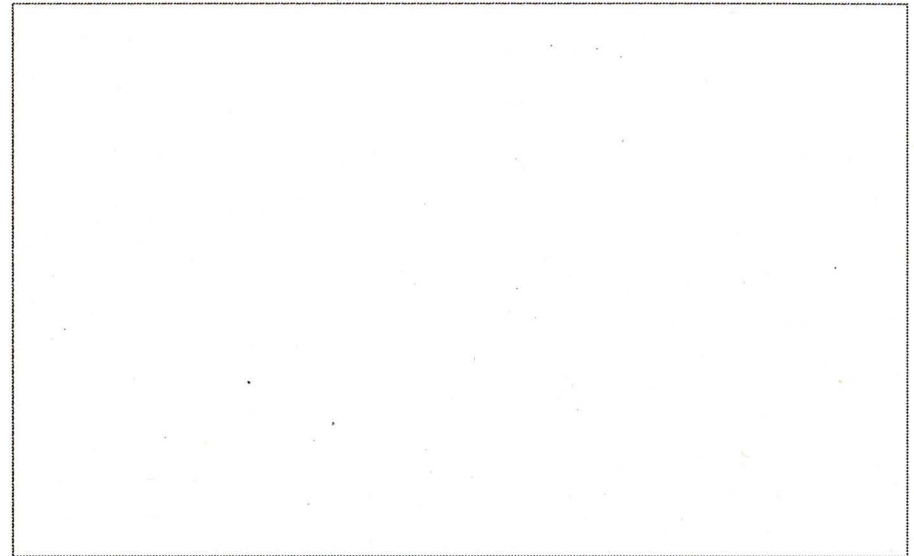


CFE P&C Cables - CHR 2024

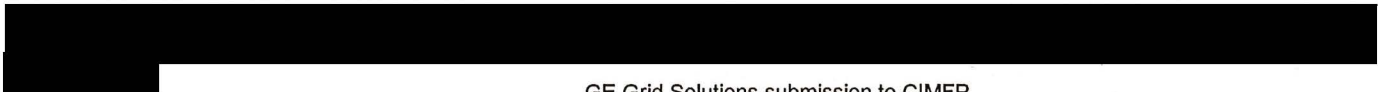
GE Proposal:

- Nalcor to approve and pay for the change request

Agreement:



For settlement discussion purposes only - not admissible in arbitration/location



TRANSFORMERS

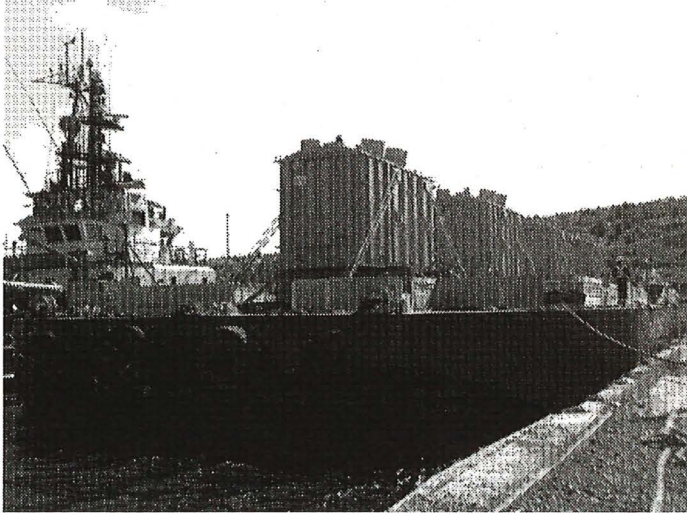
CHR-CD0501001-2038 Rev.03

CHR-CD0501001-2055

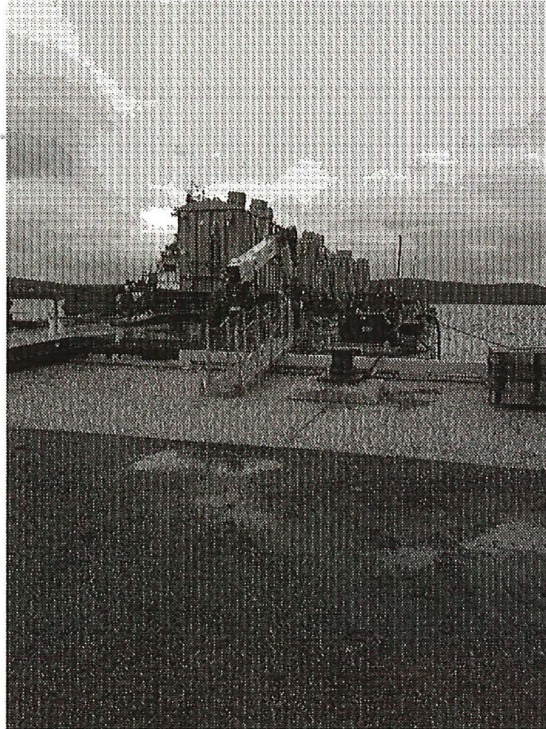


November 6, 2017

A successful teamwork (Nalcor-GE-Mammoet)



First 4 units loaded on barge
Bay Bulls 17-July



First 4 units unloading
Cartwright 26-July



First 2 units at MFA gate
30-July



Unsecured context

- Press articles

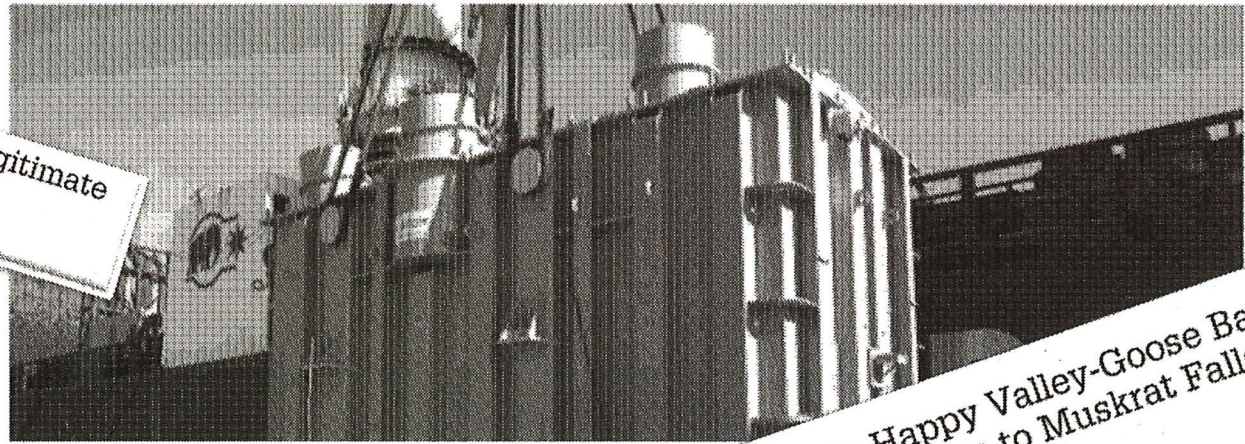
Cartwright not allowing Nalcor through town

Evan Careen evan.careen@thelabradorian.ca (mailto:evan.careen@thelabradorian.ca)
 Published: Oct. 14, 2016, midnight Updated: Oct. 2, 2017, 10:50 a.m.

Let's try this again: Muskrat Falls transformers heading to Cartwright

First shipment to Labrador planned for last fall was delayed by protests over methylmercury

Marilyn Boone · [CBC News](#) July 13, 2017



Letter: Muskrat Falls protesters had legitimate grievances

The Telegram
 Published: April 22, 2017, midnight Updated: Sept. 30, 2017, 7:04 a.m.

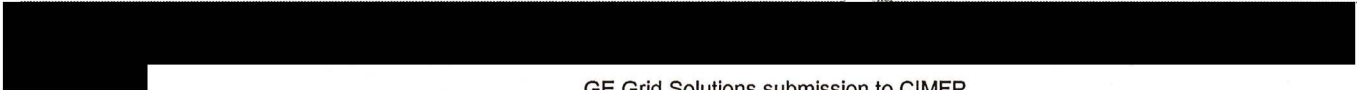
Muskrat Falls protesters had legitimate grievances

RCMP: 28 people charged for Muskrat Falls protest in October

The Telegram
 Published: March 7, 2017, midnight Updated: Sept. 30, 2017, 6:19 a.m.

Heavy police presence in Happy Valley-Goose Bay as RCMP prep for equipment move to Muskrat Falls

Evan Careen evan.careen@thelabradorian.ca (mailto:evan.careen@thelabradorian.ca)
 Published: July 18, 2017, midnight Updated: Sept. 30, 2017, 6:37 a.m.

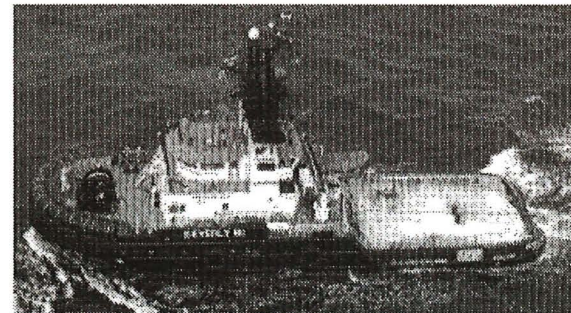
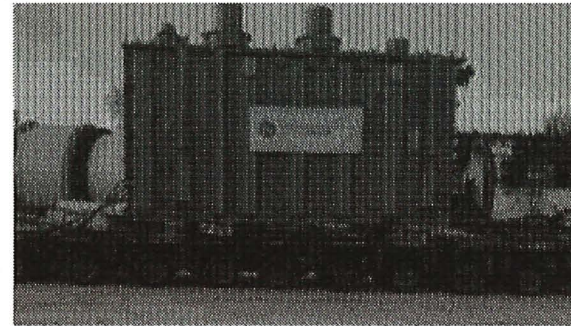


Transformer Shipment to Muskrat Falls

An Overview



- Seven (7) converter transformers are currently staged in Bay Bulls awaiting transport to the Muskrat Falls Converter Station. Transformers will be moved by barge/marine spread in a shipment of 4 during the first transit and 3 during the second transit.
- Each transformer is 5m high and weighs 200 metric tonnes. The transportation logistics from dockside in Newfoundland to the Muskrat Falls site in Labrador is complex, and the scheduling/planning will be impacted by a number of conditions:
 1. Weather limitations for marine loadout
 2. Ice and weather limitations for marine transit
 3. Road Conditions in Labrador
 4. External Events, such as Protest
- The objective is to safely transport the assets to Labrador in a controlled and coordinated manor. ***The safety of the personnel and public is of the highest importance, followed by the security of the assets.*** Efforts will be made to minimize cost and schedule impacts, but they will be secondary to our safety and security mandate.



Transformer Shipment to Muskrat Falls

Key Messages



The Converter Transformers are Critical. The converter transformers are required to expedite power (i.e. recall power) from Churchill Falls to Soldier's Pond (and, thus, onwards to our stakeholders). Failure to safely and securely transport these transformers will have impacts province-wide.

There's no Schedule Float. The converter transformers require a significant amount of time for installation (oil-filled and 'dressed'), and are currently on the critical path for commissioning. Due to protest activities in 2016 and a later 2017 ice season, we are out of float time.

Direct Costs Associated with Marine Delays are Always Significant. Day rate costs of marine equipment are always the source of cost variance and exposure; therefore, careful planning and pre-emptive mitigations procedures are usually warranted to prevent significant delays/cost exposures. A typical order-of-magnitude cost for a marine and logistic spread for such an operation is [REDACTED]. This means a 2-week delay to the marine portion of the operation (load-out, transport, unload and stage) would have an [REDACTED] impact.

The Indirect Impacts are More Significant. While delays will have a direct impact to the project and associated stakeholders, losing the indirect benefits of expedited power transmission from Churchill Falls has highly significant system reliability and cost implications. In addition, expedited power transmission offers the opportunity to strengthen system resiliency and boost public confidence and support for the project.

Key Message: We owe it to our Stakeholders to ensure these converter transformers are safely and securely transported to-site in a timely manner



Transformers – CHRs 2038/2055/2027

Issue & Applicable Contract Provisions

- GE has been *repeatedly delayed*, due to changing requirements on how to deliver the Transformer
- GE is *entitled to recover all costs* incurred in delaying the delivery and *an adjustment to the schedule* to account for the delay and its impact on the Critical Path

Applicable Contract Provisions

- Art. 3.7 – Contractor shall comply with all lawful instructions of Company pertaining to performance of the Work
- Art. 10.9 – Company shall allow Contractor and all of its Subcontractors unrestricted access to each Site where Work is to be performed
- Art. 12.13 – Payment on Changes
- Art. 21.3 – Company shall defend, indemnify and hold Contractor harmless from claims of third parties resulting from Company's breach or non-performance of its obligations under the Agreement
- Art. 22.4 – Company responsible for transportation route in Newfoundland and Labrador of preferred route from Cartwright to Muskrat Falls Worksite
- Art. 26 – Changes in the Work
- Article 34.1 and 34.2 – Suspension – Company shall reimburse reasonable expenses incurred in complying with the suspension – 34.6 (schedule adjustment for suspension)

- CHR 2027 is in process with Mammoet extras



Transformers

Relevant Dates

- Nov. 15, 2016 – Original transformer delivery date at MFA (included 7 transportation convoys)
- Oct. 21, 2016 – Company suspended delivery of transformer (Letter TR-CD0501-LILLP-AG-0339)
- Feb. 2, 17 - Agreement on the Phased Approach was reached (agreement executed Apr. 14, 2017)
- Mar. 14, 2017 - Contractor re-baseline schedule w/ delivery dates Jun. 28, 2017 (T1 & T2) & Jul. 13, 2017 (T3 & Spare)
- May 4, 2017 – Company requested convoy change: 4 to 2 transportation convoys
- May 29, 2017 – All day meeting with Nalcor & Stakeholders in St. John's
- Jun. 4, 2017 – Company instruction to use 5 transportation convoys instead of 7 convoys
- Jun. 13, 2017 – Company instructed Contractor to delay transformer from Jun. 29, 2017 to Jul. 21, 2017
- Jun. 30, 2017 - Port closed due to ice
- July 15, 2017 – Contractor letter to Company re new forecast date for delivery (T1, T2) - 8-Aug-2017
- Aug. 23, 2017 – Contractor confirmed Company's direction to postpone delivery & notice of 45 day EoT
- Aug. 31, 2017 – Company denied the 45 day EoT



Alternate options

- Several instructions from Nalcor

21-Apr-2017

ven. 21/04/2017 13:10
 StephenFollett@lowerchurchillproject.ca
 Re: LCP - MFA Transformer Transport

À BIANCHI Scott -EXT
 Cc DEVILLIERS Duy; SEGUIN Pierre A; RobertMMurphy@lowerchurchillproject.ca; RosanneWilliams@lowerchurchillproject.ca

Thank you gentlemen.

Appreciate the effort as this is a critical and politically sensitive move for all of us.

Please work with Mike and Roseanne closely to collectively develop the transportation plan to minimize the impact on the community and with consideration for potential disruptions due to protest.

Cheers, Steve

ven. 21/04/2017 13:10
 StephenFollett@lowerchurchillproject.ca
 Re: LCP - MFA Transformer Transport

À BIANCHI Scott -EXT
 Cc DEVILLIERS Duy; SEGUIN Pierre A; RobertMMurphy@lowerchurchillproject.ca; RosanneWilliams@lowerchurchillproject.ca

NEW scenario with 2 convoys (3+4) as requested by Nalcor :

POLE 1:

- First barge departure (3 units) to Cartwright port: first week of June
- Convoy of units 01&02&03 to MFA site departure: second week of June
- Delivery on pads of units 01&02&03 : target 21-June

POLE 2:

- Second barge departure (4 units) to Cartwright port: third week of June
- Convoy of units 04, 05 & 06 & 07 to MFA site: last week of June
- Delivery on pad : target 07-July

26-Apr-2017

MFA Transformers Delivery Scheme and Plan:
 Contractor re-confirms that the plan, as per Contractor's baseline schedule, is to proceed with five (5) convoys from Cartwright to MFA site (2+2+1+1+1) as communicated on 21-Apr-2017. The objective is to deliver the first two (2) units of Pole 1 on their pads on 29-Jun-2017 and the two (2) other units of Pole 1

GE responded on Apr 26 17 with additional costs related to this request



November 6, 2017

Alternate options

- Several instructions from Nalcor

Subject: CD0501-001- Supply and Install Converter Stations and Transition Compounds
 MFA Converter Transformers Deliveries at MFA Site
 Ref: LTR-CD0501-AG-LILLP-0349/0351

04-May-2017

Dear Mr. Bianchi,

As requested by Contractor in its letters referenced above, Company is confirming the following actions:

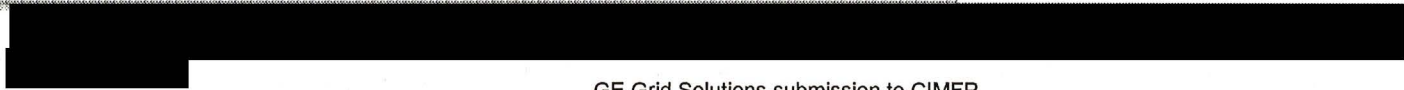
1. By this letter, Company is formally instructing Contractor to resume delivery of the MFA converter transformers to the Site.
2. Company formally confirms that Contractor shall proceed with the two (2) convoy option.

Subject: CD0501-001- Supply and Install Converter Stations and Transition Compounds
 MFA Converter Transformer Transportation
 Ref: LTR-CD0501-AG-LILLP-0373

06-June-2017

Dear Mr. Bianchi,

As requested by Contractor's letter LTR-CD0501-AG-LILLP-0373 dated 2-Jun-2017 and transmitted to Company on 5-Jun-2017 at 02:09 PM, Company confirms that Contractor can go ahead with the plan to use the public wharf and Contractor's original planned convoy delivery configuration. This decision was communicated previously by Mr. Stephen Follett to Mr. Tod Hubbard in the morning of 05-Jun-2017.



November 6, 2017

Extra-costs

- GE / Mammoet notified Nalcor of additional costs but always kept the logistic operations going

25-Apr-2017

mar. 25/04/2017 11:26

SP SECQUIN Pierre A

LCP / MF Converter Transformer Transport / SECURITY

Robert.A.Asphy@towerchurchillproject.ca Rosanne.Williams@towerchurchillproject.ca
 DEVLIERES Dany BANCHE Scott EXT Stephen.Fullett@towerchurchillproject.ca DECELLES Richard HUBBARD Todd SCHROEDER Jonathan BELLEAUDEAU Alain ARAB Kenza MOYRINEY Jessica
 BOLEGEN Fabio RUIZ Oliver

Rosanne / Mike ,

This will serve to confirm that GE plans to provide security as follows for the upcoming shipments of converter transformers to Muskrat Falls :

- Additional fencing at port of Cartwright
- Additional lighting at port of Cartwright
- Manned Security (on 24/7 basis) at port of Cartwright

It is our position that security from port of Cartwright to Muskrat Falls site entrance is the responsibility of NALCOR.
 In view of last Friday's conference call, during which NALCOR confirmed that there is sufficient "intel evidence" to determine that actions will be undertaken by protest groups in Labrador during attempts to deliver the seven transformers to project site, GE requests NALCOR to provide assurance that proper security will be afforded for our heavy-haul carrier (for crew and transport equipment) throughout the sea and land operations.

26-Apr-2017

Subsequently, and before moving forward with this new transportation arrangement, Company shall formally confirm that Contractor shall proceed with the two (2) convoys option instead of five (5) convoys as per the actual baseline schedule for Phase Approach. Moreover, Contractor hereby specifically notifies Company that Contractor will not support or bear any costs, expenses and impacts on the schedule or the price pertaining to this aforesaid delivery arrangement without a formal Change Request from Company per Article 26 - Change in Work. In this regard, a preliminary estimate (for information only) of the expenses to be incurred are at least \$2,0M, but require a detailed assessment before we can commit to the price difference from Contractor's existing plan.



Extra-costs

- GE / Mammoet notified Nalcor of additional costs but always kept the logistic operations going

27-June-2017

Contractor informs Company that in the view of the situation related to MFA converter Transformers delivery, Contractor should re-arrange the delivery by taking additional measures with its subcontractors to ensure a save and an optimize transportation of these major and critical equipment for CD0501 for the Phase Approach and Bi-pole completions.

Consequently, Contractor identifies extra costs that should be a share responsibility between Company and Contractor, but not limited to:

- Contractor's subcontractor attendance to all the meetings requested by Company
- Additional Engineering for bridge inspections
- Cartwright port Culvert Ramping works
- Roads plating and modifications from Cartwright to MFA site
- Additional mobile camp accommodations
- Provisions for demurrage costs in case of blockage at Cartwright
- Additional security to be provided by Contractor and its subcontractor.

Subsequent to the abovementioned, Contractor considers that the security, during the transformers transportation to site, will be on Company' account. Therefore, Contractor placed the amended purchase order to its carrier (including the barge mobilization) to proceed as per the latest Company formal instructions.

Agreement No:	CD0501-001	CHR No. (reference):	CHR-CD0501001-2027
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	Rev. No:	1
Company:	LILLP	CHO No.:	
Contractor/Supplier:	Grid Solutions Canada	Date:	10-July-2017
Title:	Converter Transformers deliveries at MFA site	Aconex No.:	
		DAN No.:	N/A

Description of Change Request and Reason (attach all supporting information):

As per LTR-CD0501-AG-LILLP-0390 dated 27-Jun-2017, Contractor informed Company that in view of the situation related to the MFA converter delivery, Contractor shall re-arrange the delivery by taking additional measures with its subcontractors to ensure a save and an optimize transportation of these equipment. The transportation scheme requires Contractor to transport from Cartwright port to the Muskrat Falls seven (7) units using 4 convoy (2-2-2-1 scheme).

Consequently, Contractor identifies, under this Change Request, the extra costs to deliver the Transformers to MFA.

- Additional Mobilization and de-mobilization of Transport Unit and Crew
- Additional Mobilization and de-mobilization of Jack and Slide Crew and Equipment
- Idle time for crew and equipment during transport
- Laydown area, preparations and rental
- Traffic Management
- Escorts
- Project Management (Contractor's subcontractor attendance to all meetings requested by Company)
- Utilities
- Bridge Engineering, Inspections and Analyses
- Culvert Ramping
- Overtime
- Road Grading
- Road Plating

This additional work is estimated to cost \$1,500,000.00 CAD.



November 6, 2017

Extra-costs

- GE / Mammoet notified Nalcor of additional costs but always kept the logistic operations going

FRAMEWORK ORDER Purchase order number: 3060-4700263456 Creation date : 22 December 2015 Modification date : 02 November 2017	Supplier address Mammoet Canada Western Ltd. 12920 33 Street NE Edmonton AB T6S 1H6
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Page 19 / 24

Item	Material Description	Unit price	Quantity and unit	Value
0220	Project Management Gross Price Net value LCP = CHANGE ORDER TO MAMMOET : Muskrat Falls Transformers Delivery Delivery date:07/04/2017 Delivery address : Grid Solutions Canada (PEC) JF02 1400 rue Industrielle Suite100 La Prairie QC J5R 2E5	1/IAU 1/IAU	1 IAU	
0230	Travel Expenses Gross Price Net value LCP = CHANGE ORDER TO MAMMOET : Muskrat Falls Transformers Delivery Delivery date:07/04/2017 Delivery address : Grid Solutions Canada (PEC) JF02 1400 rue Industrielle Suite100 La Prairie QC J5R 2E5	1/IAU 1/IAU	1 IAU	



QUOTATION

Client	GE Energy Connections - Grid Solutions	SAP nr.	15006707-WA15	Page	10 of 13
Project	Lower Churchill Project	Doc. nr.	0000161668	Date	20-10-2017
Subject	Deliveries of Transformers to Muskrat Falls	Ref.	KE	Rev.	00

2.8 Security and Fencing

Nunatsiavut Marine		\$	
Security		\$	
Fencing		\$	
Sub-Total:		\$	
Cost + 15%		\$	
Total:		\$	

2.9 Traffic Management

Safety First			
Traffic Management Plan	invoice # 60566	\$	
Custom advance warning signage	invoice # 61576	\$	
Traffic Management - 22-07-2017 mobilization	invoice # 61577	\$	
Traffic Management - 23-07-2017	invoice # 61578	\$	
Traffic Management - 24-07-2017 (day + overnight)	invoice # 61579	\$	
Traffic Management - 25-07-2017	invoice # 61588	\$	
Traffic Management - 26-07-2017	invoice # 61594	\$	
Traffic Management - 27-07-2017	invoice # 61603	\$	
Traffic Management - 28-07-2017	invoice # 61617	\$	
Traffic Management - 29-07-2017 (weekend)	invoice # 61621	\$	
Traffic Management - 30-07-2017 (weekend)	invoice # 62086	\$	
Traffic Management - 31-07-2017	invoice # 62087	\$	
Traffic Management - 01-08-2017	invoice # 62142	\$	
Traffic Management - 02-08-2017 (day + overnight)	invoice # 62149	\$	
Traffic Management - 03-08-2017	invoice # 62153	\$	
Traffic Management - 04-08-2017 (day + overnight)	invoice # 62159	\$	
Traffic Management - 05-08-2017 (weekend)	invoice # 62163	\$	
Traffic Management - 06-08-2017 (weekend)	invoice # 62182	\$	
Traffic Management - 07-08-2017 (holiday)	invoice # 62185	\$	
Traffic Management - 08-08-2017	invoice # 62190	\$	

November 6, 2017



Extra-costs

- GE / Mammoet incurred additional costs due to inadequate security (Nalcor is responsible of overall security)

Escorts

Service NL		
Airline tickets and hotel bills	\$	
30 July 2017 - escort services - empty trailer return	\$	
26 August 2017 - escort services - empty trailer to yard	\$	
19 August 2017 - escort services - transformer	\$	
13 August 2017 - escort services - transformer	\$	
12 August 2017 - escort services - transformer	\$	
4 August 2017 - escort services - transformer	\$	
4 August 2017 - escort services - transformer	\$	
8 August 2017 - escort services - empty trailer return	\$	
24 July 2017 - escort services - transformer	\$	
30 July 2017 - escort services - transformer	\$	
10 August 2017 - escort services - empty trailer return	\$	
Sub-Total:		
Cost + 15%		
Total:		

Security and Fencing

Nunatsiavut Marine		
Security	\$	
Fencing	\$	
Sub-Total: \$		
Cost + 15% \$		
Total:		



[Redacted text block]

November 6, 2017

Revisit sequence

Extra-costs

- GE / Mammoet incurred additional costs due to new requirements from DoT (changes since Oct 2016)

Bridge and Structure Analysis

Atlantic Industries		
Design check for heavy loads over structures in Labrador	\$	
Design check for empty trailer return over culvert structure	\$	
Algonquin Bridge		
Engineering Services, Design check for Paradise River Bridge	\$	
Associated Engineering		
Consulting Services - retainer fee of 25%	\$	
Consulting Services - balance 75%	\$	
Inspection Services - Pre-crossing inspections	\$	
Culvert Ramping evaluation	\$	
Inspection Services - Post-crossing inspections	\$	
Sub-Total:		
Cost + 15%		\$
Total:		

Scaffolding

Scaffolding Services from JD Myles		
Scaffolding Kenamu and Traverspine Mobilization	\$	
Scaffolding 09 August to 15 August	\$	
Scaffolding 16 August to 22 August	\$	
Scaffolding 23 August to 29 August	\$	
Scaffolding 30 August to 05 September	\$	
Scaffolding 06 September to 12 September	\$	
Scaffolding 13 September to 19 September	\$	
Scaffolding Kenamu and Traverspine De-mobilization	\$	
Scaffolding demobilization delay - ferry delay	\$	
Capital Crane support materials and equipment for Scaffolders		
Initial bridge inspections, truck rentals, etc	\$	
Equipment and services for scaffolders, July	\$	
Equipment and services for scaffolders, August	\$	
Equipment and services for scaffolders, September	\$	
Safety First traffic management support for Scaffolders		
Traffic Management, 16 July - 22 July, Kenamu, invoice # 61575	\$	
Traffic Management, 29 August - 31 August, invoice # 63348	\$	
Traffic Management, 01 September - 02 September, invoice # 63350	\$	
Traffic Management, 03 September - 05 September, invoice # 63355	\$	
Traffic Management, 06 September - 09 September, invoice # 63361	\$	
Traffic Management, 10 September - 13 September, invoice # 63443	\$	
Traffic Management, 14 September - 16 September, invoice # 63444	\$	
Traffic Management, 17 September - 20 September, invoice # 63445	\$	
Traffic Management, 21 September - 23 September, invoice # 63446	\$	
Traffic Management, 24 September - 26 September, invoice # 63447	\$	
Traffic Management, 27 September - 29 September, invoice # 63448	\$	
Sub-Total:		\$
Cost + 15%		\$
Total:		

November 6, 2017



Extra-costs

- GE / Mammoet incurred additional costs for the CAMPS to accommodate workers and Nalcor's pers.

LOWER CHURCHILL PROJECT	CHANGE REQUEST		
Agreement No:	CD0501-001	CHR No. (reference):	CHR-CD0501001-2027
Agreement Title:	Supply and Install Converter Stations and Transition	Rev. No.:	1
Company:	LILLP	CHO No.:	
Contractor/Supplier:	Grid Solutions Canada	Date:	10-July-2017
Title:	Converter Transformers deliveries at MFA site	Aconex No.:	
		DAN No.:	N/A


Furthermore, additional costs will be incurred for camp accommodations:

- At Canoe Lake:
 - 60 days
 - Camp mobilization and demobilization
 - Camps telecommunications
 - After 60 days, it will cost [REDACTED] per night for 55 rooms
 - Estimation [REDACTED]
- At Cartwright:
 - Accommodations will be for 55-person camp
 - 60 days
 - Installation of water sewer and electrical services
 - Food and Cleaning services
 - After 60 days, it will cost [REDACTED] per night for 55 rooms
 - Estimation [REDACTED]

As previously mentioned in LTR-CD0501-AG-LILLP-0351, security of the personnel and equipment from the start of the logistic operations until the final delivery of the transformers shall be provided by Company. Contractor does not take the responsibility or liability for ensuring the security of transportation operations from potential hindrances arising from the tense situation in Labrador.

FRAMEWORK ORDER

Number : 3060-4700273119
Creation date : 10 Jul 2017



Page 2 / 4

Item	Material Description	Unit price	Quantity	Date	Net value CAD
	General warranties				
	4.6 - ORDER CONFIRMATION				
	As acceptance of this Purchase Order, the Seller shall return the following documents duly signed, within 5 (five) working days from the date of Grid Solution Canada ULC's representative signing this Purchase Order.				
0010	CAMP ACCOMMODATIONS FOR MUSKRAT FALLS TR	2,540,000.00 /1 AU	1 AU	07/06/2017	[REDACTED]
	Total price for Canoe Lake/Cartwright Camp Locations: \$CAD 2,540,000#				
	# Invoicing by C&T to be as follows :#				
	? Camp Mob: \$404,000 (Invoice Date : July 15)#				
	? Camp Set-Up: \$526,000 (Invoice Date : July 31)#				
	? Camp Ops / Camp Demo & Communications/Internet : \$1,510,000 # (Invoice Date : Aug 15)#				
	? Camps to be operated for minimum of 60 days (at above price and terms/conditions)# (After 60 days, the charge will be \$230.00 per night with a minimum of 30 rooms at # each location / to be invoiced weekly)#				



Extra-costs

- GE / Mammoet incurred additional costs related to Nalcor's instructions to delay the barge until 22-July 2017 (start of barge shipment)

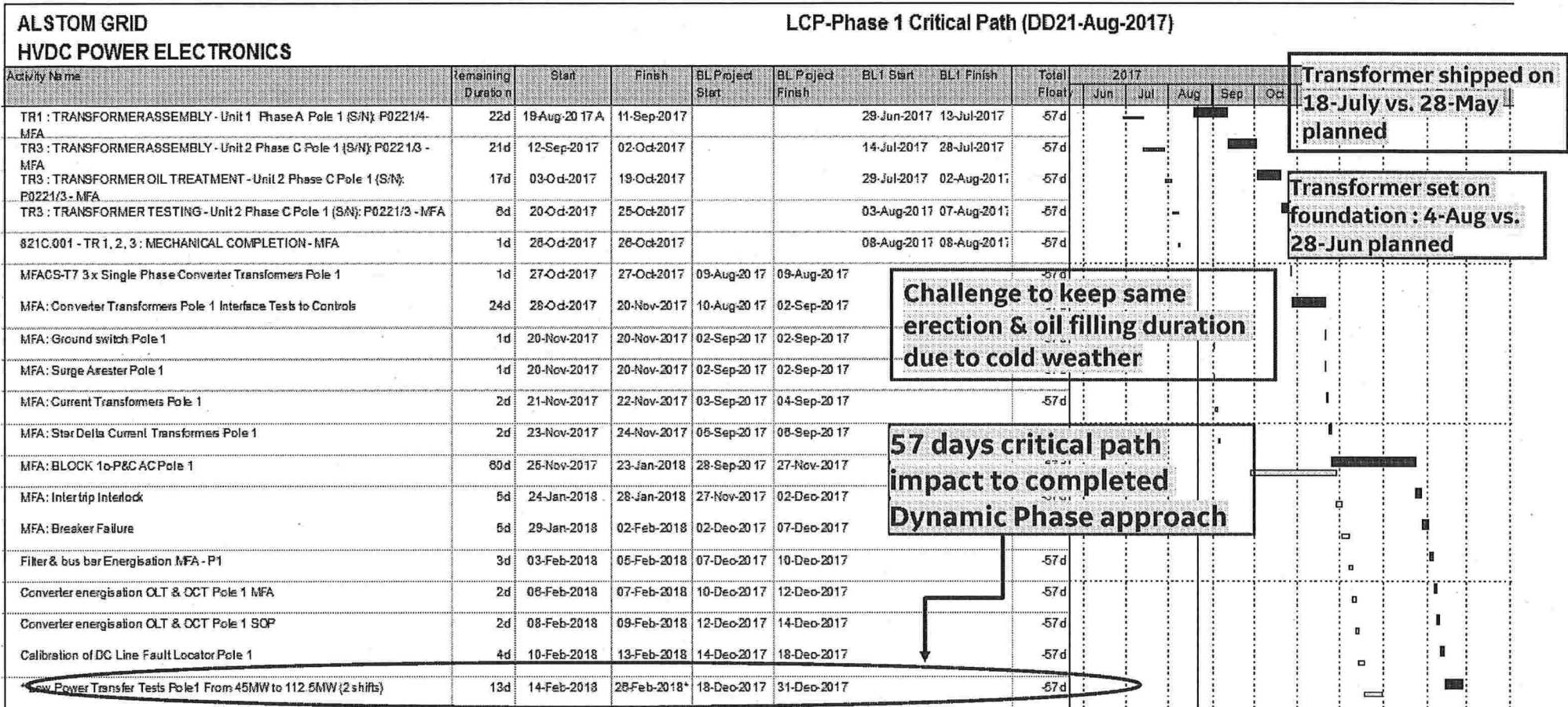
Demurrage and Weather Delays

McKeil Marine		
<u>17th July - 18th July</u>		
Mandated Delay to arrive in Cartwright no earlier than July 22nd	\$	
<u>29 July - 03 August</u> (127.25 + 17.75 - 48 hours (credit) = 97 hours)	\$	
On hold at Pennecon, weather, and berthage not available for load-out	\$	
<u>07 August - 10 August</u> (66.58 hours, per McKeil)	\$	
On hold at Pennecon, waiting on weather to depart, per MWS	\$	
	Sub-Total:	
	Cost + 15%	\$
Mammoet Personnel		21,000.00
<u>Crew on standby during above delays : 8 days</u>		
Crew of 5 x 8 days x 10 hours / day x [redacted] / hour / crew member	\$	
	Sub-Total:	
	Total:	\$



[Redacted text block]

MFA – Converter Transformers on site



November 6, 2017

Letter CD 501-AG-LILLP-0438 1 of 2



Labrador-Island Link Limited Partnership
 Lower Churchill Project
 350 Torbay Road Plaza, Suite No.2
 St. John's, NL
 Canada A1A 4E1

To the attention of Mr. Follett

Date: 01-Nov-2017

O/Ref: LTR-CD0501-AG-LILLP-0438
 Y/Ref: LTR-CD0501-LILLP-AG-0481 dated 31-Aug-2017
 Agreement No: CD0501 - Converter Stations and Transition Compounds

Subject: MFA - Converter Transformer Delivery - Contractor Reply



Dear Mr. Follett,

In response to Company's referenced letter of 31-Aug-2017, please be advised that Contractor contends that the delivery of the Muskrat Falls transformers was delayed repeatedly by Company, through no fault of Contractor. Consequently, Contractor is entitled to recover all costs incurred as a result of these delays to the delivery and is further entitled to an adjustment to the schedule to account for the delay and its impact on the critical path. The impact to the critical path and extension of time will be addressed in a separate letter.

Company was fully aware that Contractor was ready to ship the transformers in October 2016; however, on 21-Oct-2016 that Company placed the delivery of the transformers on hold while Contractor was in the process of loading the units onto the barge at the marina in Boy Bulls. Direction to Contractor was to wait until summer 2017 before shipping the transformers to Cartwright.

Following the directive to delay delivery, Company involved itself deeper into the details of Contractor's plans and planning regarding the movement of the transformers by arbitrarily restricting the number of convoy trips that Contractor would be allowed to make between the Cartwright Port and the Muskrat Falls site. However, Company's direction in this matter proved to be indecisive: on 4-May-2017, Company's directive to Contractor was to resume delivery of the MFA transformers at the earliest opportunity and to limit exposure by completing the movement with 2 convoys rather than 5 convoys; on the same date, Company further directed Contractor to investigate an alternate port of delivery other than Cartwright. Subsequently, a physical site visit and investigation confirmed that Cartwright remained as the most viable location for the operation; on 6-Jun-2017, Company changed their directive to Contractor once again by instructing Contractor to revert to 5 convoys rather than 2 convoys; on 13-Jun-2017, Company directed Contractor to postpone the delivery of the MFA transformers until 21-Jul-2017. Subsequently, Contractor was told to have tug and barge stand-off and not to arrive at the wharf until the morning of 22 July, only to turn around and request that Contractor attempt to bring the barge alongside the wharf clandestinely during the night of 21 July.



Letter to Labrador-Island Link Limited Partnership
 1-Nov-2017

Page 2 of 3

Below are additional details on the sequence of events leading to the late delivery of the MFA transformers:

- 02-Feb-2017: Company requested Contractor to study alternate route/plan B for early shipment in winter.
- 15-Feb-2017: Contractor confirmed that there were no other viable logistic options (a comprehensive route survey report was sent to Company).
- Amendment 05: Contractor presented to Company the baseline schedule which consisted of shipping the transformers in 5 convoys from Cartwright to MFA Site (first 2 units on pads, 29-June-2017, and 3rd unit + spare unit on pads, 13-July-2017 for Pole 1).
- From March to May 2017: Preparatory meetings took place between the Contractor, Muskrat, and Company (St. John's, Montreal, Goose Bay), meeting with RCMP at Boy Bulls in April 2017.
- 21-April-2017: Meeting with Company. Contractor was asked to proceed with 2 convoys instead of 5 convoys.
- 26-April-2017: Contractor sent a letter to notify Company of potential costs and time impact due to the late change of logistic plan (number of convoys).
- 01-May-2017: Meeting between Company, Contractor and Muskrat at Goose Bay to review the new plan of 2 convoys and to do a joint risk assessment.
- 04-May-2017: Company instructed Contractor to resume delivery of the MFA transformers using 2 convoys (versus 5) and to investigate again an alternate port (Charlottetown instead of Cartwright). A physical site visit and investigation determined that the only viable location to land the transformers continued to be Cartwright.
- 25-May-2017: Company made a presentation to NL Authorities on the transformers logistic plan (showing plan for 2 convoys and all related risks).
- 02-June-2017: Meeting at Company's office in St. John's. Company asked Contractor to consider using a private wharf at Cartwright port for unloading and storage of the transformers due to the high risk of protests and blockade at this period of the year. On this date, Contractor urged Company to make a firm decision on how to proceed.
- 06-June-2017: Company changed its mind and authorized Contractor to go ahead with its original plan of 5 convoys delivery. Company requested Contractor to start the preparation works for the transport operations. Muskrat required at least 3 weeks to mobilize all the heavy equipment.
- 13-June-2017: Meeting between Contractor and Company to review risks and additional cost impacts. During the meeting, Company asked Contractor to postpone the barge shipment until 21-July-2017, and subsequently requested Contractor not to arrive at the wharf until the morning of 22 July, only to request that the barge arrive secretly during the night of 21 July.
- During the 13 June meeting, Company also asked Contractor to review the potential impacts of the delay with Muskrat. Several discussions between Contractor and Company took place in the days following the meeting.



Letter CD 501-AG-LILLP-0438 1 of 2



Letter to Labrador Island Link Limited Partnership
1-Nov-2017

Page 3 of 3



- 27-Jun-2017: Contractor formalized the discussion dated 13-June by a letter which listed the cost impacts and mentioned potential time impacts. Company's request to postpone the barge departure until 21-July-2017 was recorded in the letter.
- 13-Jul-2017: Customer confirmed to Contractor and authorized a public announcement (CBC news) that the barge shipment would proceed on or about 13 July and arrive at Cartwright on 22 July.

Based on this list of events, Contractor reiterates its entitlement to recover all costs incurred as a result of the delays to the delivery along with an adjustment to the schedule to account for the impact of the delay on Contractor's critical path.

Contractor hereby reserves its rights to claim any compensation and schedule impacts, and is not waiving any available remedies it has, either under the Agreements, applicable law or otherwise.

Please contact the undersigned should Company wish to discuss these matters any further.

Yours Faithfully,

D. Scott Bianchi, PhD, PE
Executive Project Director/Contractor Representative
Encl: N/A



Letter CD0501001 0763

Labrador-Island Link Limited Partnership
Corporate Office
c/o General Partner - Labrador-Island Link General Partner Corporation
500 Columbus Drive
P.O. Box 13000, 3rd A
St. John's, NL Canada A1B 0M1

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

LTR-CD0501-LILLP-AG-0400
LTR-CD0501001-0763

4-May-2017

Mr. Scott Blanchi
Executive Project Director
Grid Solutions Canada ULC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2E5

Subject: CD0501-001- Supply and install Converter Stations and Transition Comounds
MFA Converter Transformers Deliveries at MFA Site
Ref: LTR-CD0501-AG-LILLP-0349/0351

Dear Mr. Blanchi,

As requested by Contractor in its letters referenced above, Company is confirming the following actions:



1. By this letter, Company is formally instructing Contractor to resume delivery of the MFA converter transformers to the Site.
2. Company formally confirms that Contractor shall proceed with the two (2) convey option.
3. Should Contractor consider this to be a Change, please provide a detailed and consolidated Change Request including any additional costs anticipated to be incurred by Contractor, as a result of the optimization of using two (2) convoys. Regardless, this letter serves as formal notice to proceed per 1) and 2) above.
4. Contractor shall as soon as possible finalize the transportation plans / procedures and issue to all applicable parties to support the safe execution of the operation.
5. Contractor to assess alternative contingency option of utilizing Charlottetown, Labrador, as an alternative port and provide subsequent schedule and cost to assess this alternative.
6. Above all, Contractor shall make best efforts to ensure minimal impact on the local communities.

Please feel free to contact Tim Ralph should you wish to discuss this matter further.

Regards

Stephen Follett
Project Manager, HVdc Specialties

November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskat_0000037



Letter CD0501 001-0762



Labrador-Island Link Limited Partnership
 Lower Churchill Project
 350 Torbay Road Plaza, Suite No. 2
 St. John's, NL
 Canada A6A 4E1

To the attention of M. Follett

LTR-CD0501001-0762

Date: 02-May-2017

O/R#E: LTR-CD0501-AG-ILUP-03451
 Y/R#E: Meeting held on 01-May-2017 at Goose Bay
 Agreement No: CD0501 - Converter Stations and Transition Compounds

Subject: MFA Converter Transformers deliveries at MFA site - Follow-up

Dear M. Follett,

Referring to Contractor's letter (LTR-CD0501-AG-ILU-0349 dated 27-Apr-2017) and the meeting held on 01-May-2017 at Goose Bay between Company and Contractor including its freight forwarder, Contractor informs Company of the following:

- 1- Contractor acknowledges Company's instructions to Contractor to proceed with Transformer delivery to Muskrat Falls site with two (2) convoys moving 24 hours per day from Cartwright port to MFA Site:
 - a. The first convoy will comprise three (3) Units
 - b. The second convoy will exclude the remaining four (4) units
- 2- On 02-May-2017, Company Team and Contractor's logistic Manager, with the freight forwarder, will travel to Cartwright to meet with local authorities and to prepare for the arrival of the barges planned for June 2017.

The purpose of this meeting will be to finalize the logistic plan necessary for a safe and seamless delivery of the transformers from Cartwright to the MFA site, and to assess any potential schedule impacts that this may have on overall site activities.

Contractor is waiting for Company's plan to guarantee the security of the personnel and equipment from the start of the logistic operations until the final delivery of the transformers on their respective pads.

Further to the suspension of operations in moving the transformers dated 21 October 2016, Contractor is awaiting Company's written directive to resume these activities. Company shall reimburse Contractor for any additional costs incurred due to the change in the number of convoys, additional equipment and crews to facilitate two convoys running around the clock, rather than the five convoys planned for daytime operations only. Per Article 26 (Change in Work) of the Contract, Contractor will not support or bear any costs, expenses, impacts to the schedule or the price pertaining to the revised delivery arrangement without a formal Change Request from Company.

Notwithstanding any of the above, Contractor specifically reserves all rights and remedies it has under law, in equity or in the applicable Contracts.



Letter to Labrador-Island Link Limited Partnership
 02-May-2017

Page 2 of 2

Contractor remains at Company's disposal for any further information.

Yours Faithfully,

D-Scott Bianchi
 Executive Project Director
 Encl.: - LCP Presentation of 01-May-2017

0364 Solutions Canada LLC

1666 Robinson
 La Prairie Quebec
 J5R 5G5 CANADA

T 514 333 9911
 F 514 333 9111
 www.ge.com/canada



Letter CD0501 LILLP-AG-0406

Labrador-Island Link Limited Partnership
 Corporate Office
 c/o General Partner - Labrador-Island Link General Partner Corporation
 500 Columbus Drive
 P.O. Box 13090, Stn A
 St. John's, NL Canada A1B 0S1

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

c.c. Shawn Hurley (LCMC)
 Tim Ralph (LCMC)
 Jeff Coady (LCMC)
 Pierre Sasseville (LCMC)

Melissa Coombs (LCMC)
 Mike Murphy (LCMC)
 Anthony Jackman (LCMC)
 Kenza Arab (GS)

Duy Devillers (GS)
 Claude Mandeville (GS)
 Olivier Ruiz (GS)

LTR-CD0501-LILLP-AG-0406

4-May-2017

Mr. Scott Bianchi
 Executive Project Director
 Grid Solutions Canada ULC
 1400 Industrielle, Suite 100
 La Prairie, Quebec
 J5R 2E5

Subject: CD0501-001- Supply and install Converter Stations and Transition Compounds
 MFA Converter Transformers Deliveries at MFA Site
 Ref: LTR-CD0501-AG-LILLP-0349/0351

Dear Mr. Bianchi,

As requested by Contractor in its letters referenced above, Company is confirming the following actions:

1. By this letter, Company is formally instructing Contractor to resume delivery of the MFA converter transformers to the Site.
2. Company formally confirms that Contractor shall proceed with the two (2) convoy option.
3. Should Contractor consider this to be a Change, please provide a detailed and consolidated Change Request including any additional costs anticipated to be incurred by Contractor, as a result of the optimization of using two (2) convoys. Regardless, this letter serves as formal notice to proceed per 1) and 2) above.
4. Contractor shall as soon as possible finalize the transportation plans / procedures and issue to all applicable parties to support the safe execution of the operation.
5. Contractor to assess alternative contingency option of utilizing Charlottetown, Labrador, as an alternative port and provide subsequent schedule and cost to assess this alternative.
6. Above all, Contractor shall make best efforts to ensure minimal impact on the local communities.

Please feel free to contact Tim Ralph should you wish to discuss this matter further.



November 6, 2017

Letter CD0501 LILLP-AG-0339

Multiple revisions of the plan..



Labrador-Iland Link Limited Partnership
Lower Churchill Project
350 Torbay Road Plaza, Suite No. 2
St. John's, NL
Canada A1A 4E1

To the attention of M. Follett

Date: 02 May 2017

O/Ref: LTR-CD0501-AG-LILLP-03441 0.3.3.3
V/Ref: LTR-CD0501-AG-LILLP-0406 dated 04-May-2017
Agreement No: CD0501 - Converter Stations and Transition Compounds

Subject: MFA Converter Transformers deliveries at MFA site - Contractor Reply

Dear M. Follett,

Contractor acknowledges Company's letter referenced above pertaining to the resumption of work necessary to deliver the MFA Converter Transformers and to assess the potential of an option to the Cartwright port and provides the following response.

Per Company's direction, Contractor will proceed with two (2) convoys from Cartwright port comprising three (3) and four (4) transformers per convoy. Contractor will also provide an assessment of the viability for using Charlotte Town rather than the Cartwright Port for purposes of delivering the transformers to the Muskrat Falls site. In keeping with the provisions of the Contract and the Baseline schedule for the Phased Approach, a Change Request is under evolution and will be submitted to Company shortly.

Regarding the potential for an alternative route utilizing Charlotte Town, Contractor is currently assessing the feasibility and impacts of this option and will provide Company with our recommendation as soon as possible. Contractor reserves its rights to claim any compensation and schedule impacts associated with this action and is not waiving any available remedies it has either under the Agreements, applicable law or otherwise.

Contractor remains at Company's disposal for any further information.

Yours Faithfully,

D. Scott Bianchi
Executive Project Director
Encl: N/A

GE Grid Solutions ULC

1400, Boulevard
12 Place, Outremont
H3A 2B4 Canada

T: 416-490-5111
C: 416-490-5111
www.ge.com/grid



GE Grid Solutions submission to CIMFP

November 6, 2017

GE_Muskrat_0000040

Transformers

Transformers were delivered on site timely and safely:

- July 29, 2017 – Units 1 & 2
 - Aug 07, 2017 – Units 3 & 4
 - Aug 18, 2017 – Units 5 & 6
 - Aug 26, 2017 – Unit 7
- Work on the transformer installation and commissioning in progress
 - Because of delay, work will continue into winter months – additional impact to Price and Schedule
 - Current price impact
 - CHR-2038: [REDACTED] for accommodations at Canoe Lake & Cartwright (Rev 3 issued on 22-Sep-2017)
 - CHR-2055 - [REDACTED] for transformer heating (issued on 19-Oct-2017)*
 - CHR-2027 Rev,1 - [REDACTED] for additional transformer expenses (Storage, preservation)*
 - Approx. [REDACTED] estimate of 57 days. (to be confirmed) Schedule impact – to date = 57 days**



November 6, 2017

Transformers

GE Change Request Summary

- Nalcor to approve and pay for the 2 change requests
- Nalcor to pay all other costs related to suspension
- Nalcor to modify Schedule, and corresponding LD and bonus dates to account for 58 days of delay to the Critical Path

Agreement



Nalcor Position – October 2017

- *In May 2017, Nalcor verbally agreed to pay for the additional costs of the Transformers to MFA*
- *On August 2017, Nalcor contested the costs claimed as per the costs sharing discussed by stating that the costs will be based on the number of Nalcor people using the accommodations*
- *During Open CHRs discussions in September 2017, Nalcor proposed to GE to settle the CHR to 1M\$CAD instead of [REDACTED]*
- *On September & October 2017, Nalcor requested the recorded of Camp manager to base their compensation on this number of people*



November 6, 2017

Equipment Shipped by Air

CHR-CD0501001-2034 Rev. 2



November 6, 2017

Equipment Shipped by Air - CHR 2034

Issue

It was agreed between Nalcor and GE to share the cost to airfreight critical equipment in order to maintain the schedule commitment for the phased approach (Nalcor would pay 50% and GE the other 50%). GE used airfreight to ship surge arresters, CT, DC, Connectors, Cubicles, AC filter resistors, and AC filter connectors.



November 6, 2017

Equipment Shipped by Air

Relevant Dates

- May 4, 2017 – Email from Tim Ralph indicating “We are interested in a global session to align our teams on the potential to expedite equipment in alignment with currently or very nearly ready work fronts”.
- June 5, 2017 – GE’s letter providing a list of critical equipment to be shipped by air following the meeting between Nalcor and GE.
- August 24, 2017 – Letter from Nalcor rejecting change request, indicating that Contractor needs to demonstrate the schedule advantage gained by using air freight.
- September 28, 2017 – GE issued a change request Rev 2.



Equipment Shipped by Air

Status & Impact

- GE issued a change request for [REDACTED] CAD on September 28, 2017, which represents 50% of the total amount of [REDACTED] CAD
- Mitigated schedule impact of 10-30 days.



[REDACTED]

LTR-CD0501-AG-LILLP-0367 – June 5, 2017

Pages 1,2

LTR-CD0501001-0807



Labrador-Island Link Limited Partnership
Lower Churchill Project
350 Turboy Road Piczo, Suite No. 2
St. John's, NL
Canada A1A 4E1

To the attention of M. Follett

Date: 05-June-2017

O/Ref: LTR-CD0501-AG-LILLP-0367

V/Ref: N/A

Agreement No: CD0501 – Converter Stations and Transition Compounds

Subject: Equipment & Material to be Shipped by Airfreight

Dear M. Follett,

Referring to the recent meetings between Company and Contractor regarding the delivery of critical CD0501 Equipment & Material to maintain the commitment for the Phased Approach, please find the relevant list of equipment planned for delivery by airfreight. This list is provided as a working document that may be subject to modification, based on updates from our weekly review where the status of these items will continue to be tracked.

Contractor continues to investigate whether other items require standard or air delivery and will inform Company of status updates during our schedule reviews.

Contractor remains at Company's disposal for any questions related to this issue.

Yours Faithfully,

D. Scott Biondi
Executive Project Director
Encl: Equipment Priorities List for Site Readiness

50500001001-0807

1403.10010000

10 00 00 0000

10 00 00 0000

T 408 593 4921
F 408 593 3373
www.ge.com



November 6, 2017

CHR-CD0501001-2034 Rev 2- Sep 28, 2017

Pages 1,2

LOWER CHIBOILA PROJECT	CHANGE REQUEST		
Agreement No:	CD0501-001	CHR No. (Reference): CHR-CD0501001-2034	
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	Rev. No: 2	
Company:	LILIP	CRD No:	
Contractor/Supplier:	Grid Solutions Canada	Date: 28-Sep-2017	
Title:	CD0501 - Equipment shipped by Airfreight	Access No: DAN No:	
Description of Change Request and Reason (attach all supporting information):			
Scope of Work Change:			
As per Contractor's Letter LTR-CD0501-AG-UJLP-0367 dated 5-Jun-2017, Contractor will use airfreight to deliver the CD0501 equipment & material critical to maintain the commitment for the Phase Approach.			
At this moment, Contractor is planning to ship the following items:			
1	Surge Arresters	Siemens Germany	Quoted Quote
2	CF	Artache Spain	PO #A700273078
3	DC	ARTECHE SPAIN	RN Quotes
4	Connectors	Lorenzetti Slovakia	IAS Invoice
5	Subcables	comelo UK	Quote
6	AC Riser insulators	CPRESSAL FRANCE	RN Quotes
7	Riser insulators	IPC Austria	PO# 4700273162
8	Connectors	Electrol POLSKA	PO# 4700273161
9	Subcables	Quadrant AUSTRIA	IAS Invoice
10	AC Riser connectors	Arumstar Slovakia	RN Quotes
Totals			
Final Amount		20% Mark	
If other equipment & material will require air delivery, Contractor will submit a separate Change Request.			
Contract Price Change and Terms of Payment:			
As per Attachment 1 - Price Breakdown, the total cost is: \$1,874,872.38 CAD.			
As agreed, Company's part will be estimated to \$87,186.19 CAD. This amount will be paid to Contractor in the form of Cash Advance.			
This change request is proposed as a lump sum. Item prices cannot be analyzed individually.			
Supporting information that forms part of this Change Request:			
<ul style="list-style-type: none"> - Attachment 1 - Price Breakdown - Attachment 2 - Backup 			

102-PE-MD-0003-SC-A-4008-01, Rev 00

Page 1 of 3

LOWER CHIBOILA PROJECT	CHANGE REQUEST		
Agreement No:	CD0501-001	CHR No. (Reference): CHR-CD0501001-2034	
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	Rev. No: 2	
Company:	LILIP	CRD No:	
Contractor/Supplier:	Grid Solutions Canada	Date: 28-Sep-2017	
Title:	CD0501 - Equipment shipped by Airfreight	Access No: DAN No:	
<ul style="list-style-type: none"> - Company's Email - List of equipment to be shipped by airfreight - LTR-CD0501-AG-UJLP-0367 - LTR-CD0501-UJLP-AG-D473 dated 28-Aug-2017 			
Description of Impact on Control Schedule and Revised Finish Date:			
This change request seeks only the direct costs associated with the subject matter hereof (with appropriate standard mark-ups). Contractor specifically reserves its rights as to any extension of time and/or compensation for extended performance, disruption to the work or cumulative impact caused by or related to this change in the work to which it may be entitled under the contract documents.			
ORIGINATOR: <input checked="" type="checkbox"/> COMPANY: <input type="checkbox"/> CONTRACTOR/SUPPLIER: <input type="checkbox"/>			
Title	Name	Signature	Date
Prepared by	Ronald Lando	<i>[Signature]</i>	29-Sep-2017
Contract Manager	Walter Avila	<i>[Signature]</i>	28-Sep-2017
Project Finance Controller	Nancy Langlois	<i>[Signature]</i>	28-Sep-2017
CD0501 Project Manager	Duy Duong's	<i>[Signature]</i>	28-Sep-2017
LIP Project Director	Scott Blawie	<i>[Signature]</i>	28-Sep-2017
Received by:	Title	Signature	Date

102-PE-MD-0003-SC-A-4008-01, Rev 00

Page 2 of 3



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskat_0000048

LTR-CD0501-LILLP-AG-0473 – August 24, 2017

Pages 1,2

Labrador Island Link Limited Partnership
Corporate Office
c/o Colonial Partners - Labrador Island Link General Partner Corporation
505 Columbus Drive
P.O. Box 13605, St. John's
St. John's, NL Canada A1B 3S1

Lower Churchill Project Operations Office
150 Tisbury Road, Suite 2
St. John's, NL Canada A1A 4R1

LTR-CD0501001-0903
LTR-CD0501-LILLP-AG-0473

24-Aug-2017

Mr. Scott Bianchi
Executive Project Director
GRID SOLUTIONS CANADA ULC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2E5

Subject: CD0501-001- Supply and Install Converter Stations and Transition Components
Equipment Shipped by Airfreight
Ref: CHR-CD0501001-2034

Dear Mr. Bianchi,

Company rejects CHR-CD0501001-2034 (including Rev 01) for resubmission for the following reasons:

- 1) The agreement between Company and Contractor is that the costs for air shipment will be supported partially by Company if Contractor can demonstrate for each equipment the schedule advantage gained by using air freight. Contractor has not submitted demonstration of that advantage for any equipment identified. Contractor is requested to submit dates of shipment and receipt at site for each equipment mentioned in the CHR.
- 2) Contractor has not submitted back-up for the alleged air freights except for the CTs from Arctech and the post insulators from PPC. Contractor has not provided credit for ocean freight costs.
- 3) The approach on airfreight costs was reached to allow gains on the schedule. Company fails to understand how Contractor can justify extension of his staff personnel because of this change. Contractor should rather consider credits related to shortened schedule. Contractor is requested to present additional justification for any cost related to personnel assigned full time to this Work.

a Hydro Energy company

Please feel free to contact the undersigned should you wish to discuss this matter further.

Regards,

Stephen Forétt
Project Manager, HVdc Specialties

c.c. Shawn Hurley (LCMC)	Melissa Cormack (LCMC)	Kenza Arabi (GS)
Anthony Jackson (LCMC)	Pierre Sasseville (LCMC)	Duy Devillers (GS)
✓ Tim Ralph (LCMC)	Tod Hubbard (GS)	Olivier Ruiz (GS)

LTR-CD0501-LILLP-AG-0469

Page 2



November 6, 2017

GE Grid Solutions submission to CIMFP

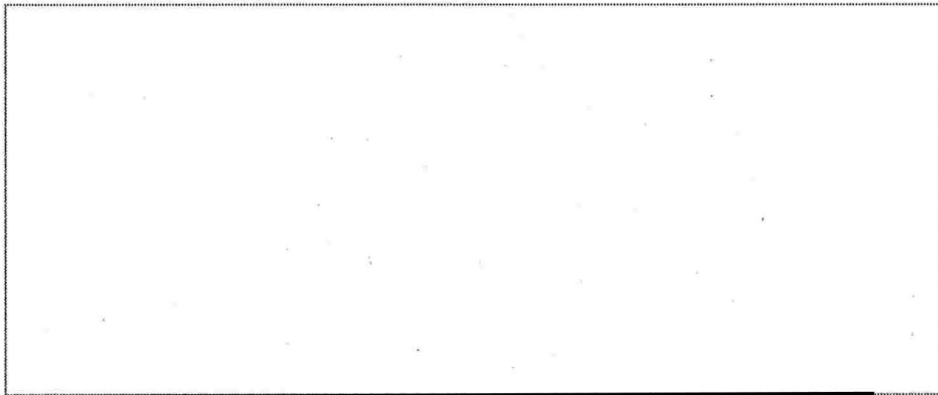
GE_Muskat_0000049

Equipment Shipped by Air

GE Proposal

- Nalcor to approve and pay for the change request.

Agreement



Nalcor's Reply

On June 2017, Nalcor committed to GE Management to share the costs for the critical equipment to be airfreight instead of seafreight

On June 2017, Nalcor provided and reviewed the list of the critical equipment to be shipped by air

July 2017, Nalcor requested additional backup for the CHR submitted by GE and removing some equipment

On August 2017, Nalcor went back on its commitments on cost sharing by arguing that Nalcor expected to see a schedule improvement on the progress of the work and requested a credit.

On September 2017, Nalcor requested additional backup including the delivery date by seafreight, by airfreight, actual delivery at site, the schedule improvement

On October 2017, Nalcor made a proposal which not cover the costs and the commitments done by GE



November 6, 2017

SOIL LAYER 1

CHR-CD0501001-2029 Rev. 1

CHR-CD0501001-2025 Rev. 1



November 6, 2017

Soil Layer 1 – CHRs 2029/2025

Issue

- The 150mm granular “First layer” to be supplied and installed by Nalcor was not part of GE’s scope of work
- The “First layer” was placed by Nalcor’s subcontractor in MF & CF sites but was contaminated before GE mobilized on site in Jul 2015
- GE was not responsible to supply or reuse the “First layer”
- GE had to import new material to meet Nalcor’s requirements, this was beyond GE contractual requirements
- This issue was not known until Spring 2017. GE notified Nalcor about the issue in Jul 2017. GE requested its subcontractor on MFA and CFA to supply and install the granular material required to complete this layer.
- GE is entitled to recover all costs incurred in replacing the soil layer 1 and an adjustment to the schedule to account for the impacts to the schedule.

Applicable Contract Provisions

- Exhibit 1 section 2.3 stating that GE scope is only second layer and insulating gravel (3rd layer).
- Contract Volume 3 drawing ILK-SN-CD-4500-cv-pl-0008-01 detail 1 stating that 1st layer is installed by other contractors
- Layer 1 gradation requirements need to comply with Nalcor's Civil work specification ILK-SN-CD-8000-CV-SP-0001-01, Section 2.2 was only for 2nd and 3rd layer and layer 1 was never mentioned as it supposed to be installed by Nalcor other contractor.
- ILK-SN-CD-8000-CV-SP-0001-01, Section 11.3 ix cost related to final grade will constitute a change
- MFA-SN-CD-4000-CV-RP-0001-01_D1-COMPACTION AS BUILT REPORT section 5.3 recommendations point 2



November 6, 2017

Soil Layer 1

- MFA site - Top surface layer is contaminated – two photos before and after Winter 2015



Sep 2014



Jul 2015 (GE mobilized to the site)



November 6, 2017

Soil Layer 1

Relevant Dates

- August 26, 2016 – Nalcor issued the CHR-0023 – Supply of gravel and granular fill – transfer of scope
- October 4, 2016 – GE declined the CHR-0023 from Nalcor transferring the supply of gravel and granular fill
- November 2016 – By Interface Management, GE provided the quantities to be supply by Nalcor and delivery dates material to be on site
- July 5 2017 - GE letter indicated that missing granular first layer at MFS and SOP sites, with change request
- July 11, 2017 - Nalcor rejected change request. Indicated that scope was covered by the agreement of Feb 2, 2017 and that GE did not provide proper notifications within 15 days.
- July 14, 2017 – GE and Nalcor met to discuss and express their statement on this issue
- July 16, 2017 - GE presented additional details.
- July 18, 2017 - GE presented additional justification.
- July 28, 2017 - GE issued revised change request.
- July 31, 2017 - Nalcor denied the change request claiming that GE's responsibility is to repair the first layer of granular fill.
- September 6, 2017 – GE and Nalcor re-arranged a meeting to review backup and positions



Soil Layer 1

		CLIENT	
DESIGNER T. VILLARAZA <i>AMV</i>	APPROVED (Mechanical Engineer) <i>AMV</i>	PROJECT LOWER CHURCHILL PROJECT	
DRAWN M. MICHALO/N.T. GARWITZ/S. SEBERG	APPROVED (Engineering Manager) <i>AMV</i>	TITLE SOLDIERS POND 230 kV SP SUBSTATION SUBSTATION EARTHWORKS #2 SECTIONS AND DETAILS	
VERIFIED T. VILLARAZA <i>AMV</i>	<i>AMV</i>	SCALE NTS	
DATE 24-JAN-2012	SCALE NTS	S&I DOC No. 505573-4500-41DD-2061_08	
NE ECC No. ILK-SN-CD-4500-CV-PL-0008-01		Rev. C3	

Document Title: CD0501 CIVIL WORKS SPECIFICATION CONVERTERS AND TRANSITION COMPOUNDS Engineering Technical Specification
NE-LCP Document Number: ILK-SN-CD-8000-CV-SP-0001-01

1.2 Site Condition

The Site earthwork and grading will be completed before Contractor moves in. The Sites are to be built and levelled by Company to the finished grade elevation and are to have access from the existing provincial roadway system as shown in the civil earthwork drawings in the CD0501 Package Drawings. Laydown areas shall be provided by Company with size and locations as detailed in appropriate interface drawings and grading shall be as detailed on the drawings.

2 YARD FINISHED SURFACE

2.1 General

After completion of all the works, the yards shall be cleaned and restored to the finished rough grade elevation including the repair of ruts, erosion and other damages generated during construction works.

Surface shall be topped with 150 mm thick compacted granular borrow fill over the entire yard including 2 meters outside the perimeter fence prior to placement of insulating gravel.

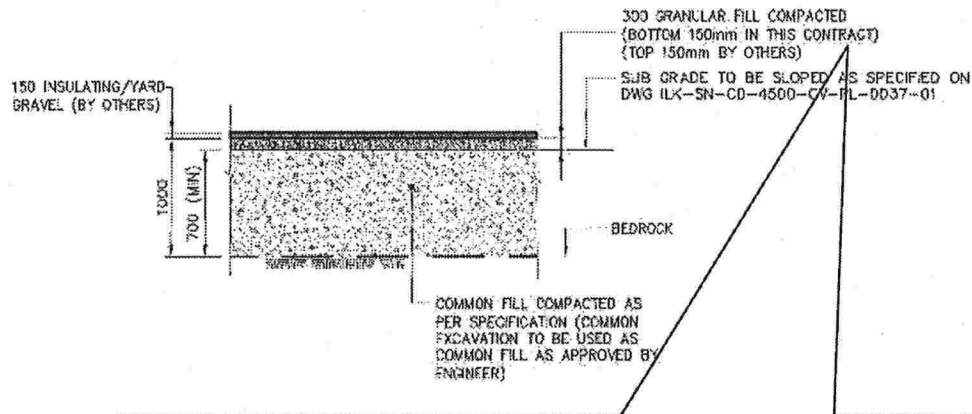
Insulating Gravel

Fines after washing shall be less than 1% for the insulating gravel.

Granular Fill

Material shall have a maximum particle size of 100mm.

Granular backfill shall be placed in lifts not greater than 300mm and shall be compacted to at least 98% of the Standard Proctor density in accordance with ASTM D698. It shall not be placed or compacted when its moisture content exceeds the optimum unless directed by Engineer.



- "THIS CONTRACT" means CD503... Nalcor's contract with civil contractor
- "OTHERS" means GE
- Bottom layer 150mm to be completed by Nalcor



Soil Layer 1

Document Title:
 CD0501
 SUPPLY AND INSTALL CONVERTERS AND
 TRANSITION COMPOUNDS
 Scope of Work Specification

NE-LCP Document Number:
 ILK-SN-CD-8000-EL-SP-0001-01

2.3 Civil and Building Works

- The installation of the second 150mm layer of stockpiled granular fill (as shown in the appropriate interface drawings) at each Converter Station.
- The installation of the 150mm layer of stockpiled insulating gravel (as shown in the appropriate interface drawings) at the Muskrat Falls Converter Station.
- The supply and installation of 150mm of insulating gravel (as shown in the appropriate interface drawings) at the Soldiers Pond Converter Station.

GE scope of work did not include the bottom (1st) 150 mm final grading layer – yet included the installation of the top (2nd layer + insulating gravel)

5 WORK SUPPLIED BY COMPANY

The following will be supplied by Company:

- Access roads and rough grading at the Converter Stations (except for the second 150mm layer of granular fill which will be stockpiled for Contractor's use within 3km of each Converter Station Site as shown in the appropriate interface drawings);
- Supply of 150mm of insulating gravel at Muskrat Falls which will be stockpiled for Contractor's use within 3km of the Converter Station Site;

Attachment 2 (Note: Drawings provided below are conceptual drawings. These drawings shall be used by Contractor to ensure better definition of the scope and technical requirements. Technical specifications shall always take precedence over drawings provided in the following list.)
List of Drawings

List of Drawings Provided Only as Information to Contractor

Earthworks (Muskrat Falls Converter Stations)			
1	Civil & Earthwork Drawings	Muskrat Falls Bulk Excavation Switchyard and Converter Station Section and Details	MFA-SN-CD-4300-CV-SE-0005-01 C4
2	Civil & Earthwork Drawings	Muskrat Falls Roads Profiles	MFA-SN-CD-2000-CV-SE-0006-01 C5
3	Civil & Earthwork Drawings	Muskrat Falls Bulk Excavation Switchyard and Converter Station Plan	MFA-SN-CD-4300-CV-PL-0007-01 B2
Earthworks (Soldiers Pond Converter Stations)			
8	Civil & Earthwork Drawings	Soldiers Pond 230 kV Soldiers Pond Switchyard Access Road Detail #3 (Sections, Details and Notes)	ILK-SN-CD-4500-CV-PL-0040-01 C2
9	Civil & Earthwork Drawings	Soldiers Pond 230 kV SP Substation Earthworks #2 Sections and Details	ILK-SN-CD-4500-CV-PL-0008-01 C3
10	Civil & Earthwork Drawings	230 kV Soldiers Pond Substation Site Grading and Leveling Sections and Details	ILK-SN-CD-4500-CV-DD-0001-01 C3
11	Civil & Earthwork Drawings	Soldiers Pond 230 kV SP Substation Earthworks #1 (Section A-A, B-B, C-C, and D-D)	ILK-SN-CD-4500-CV-SE-0003-01 C4

NOVEMBER 6, 2017



Soil Layer 1

Document Title: CH0006- BULK EXCAVATION AND RELATED CIVIL WORK Muskrat Fall Switchyard and Converter Station – Compaction As-built Report
NE-LCP Document Number: MFA-SN-CD-4000-CV-RP-0001-01

- Document provided by Nalcor, dated Dec'14

5.3 RECOMMENDATIONS

1. Based on engineering standard practice, there is no direct method to evaluate the bearing capacity of a soil foundation by using compaction results. Bearing capacity and settlement expectations of the foundation have to be evaluated by performing a site investigation program related with the structure foundation requirements such as SPT testing, vane shear measurement or any other method as indicated in the Canadian Foundation Engineering Manual (CFEM). It is recommended that such a site investigation program be undertaken.
2. The actual surface of the Switchyard and Converter station are currently suitable to perform foundation work using construction equipment.

The bottom (1st) layer provided by Nalcor other contractor was good to function as a construction pad, meaning suitable to perform foundation works using construction equipment



Soil Layer 1

11 GEOTECHNICAL DESIGN ASSUMPTIONS

The geotechnical design assumptions for the four sites are as follows:

11.2 Soldier's Pond Converter Station:

Contractor shall carry out its own soil investigations survey during Agreement execution and should any of the following conditions be found and acknowledged at Soldiers Pond Converter Station Site, they shall constitute a change:

- ix. Any design change and/or construction costs relating to yard final grade elevation differing from specifications.

11.3 Muskrat Falls Converter Station:

Contractor will carry out its own soil investigations survey during Agreement execution and should any of the following conditions be found and acknowledged at Muskrat Falls Converter Station site, they shall result in a Change:

- ix. Any design change and/or construction costs relating to yard final grade elevation differing from specifications;
- x. Presence of « weak soil » (either silty clay or loose silt and sand), as identified in geotechnical investigation report MFA-AM-CD-8000-GT-RP-0001-01, sections 4.2.2 to 4.2.5 and technical clarification #5 (document #505573-CD0501-51CV-I-0011, section2, within the revised yard area of 260m x 304m). Technical clarification #5 indicates that weak soil shall be removed completely by Company and be replaced by engineered fill. Should any of this weak soil still be encountered within this specific area, removal of weak soil and replacement by engineered fill by Contractor shall constitute a change.

11.4 Company Statement on Geotechnical Design Assumptions

Owing to the revised relationship between Company and Contractor as it relates to "Civil Works" at the four Sites as detailed in Exhibit 17, Company will suggest design comments that may lead to a reduced cost building model, even if conditions in situ do not meet Company supplied reference documents. These design comments may consist of construction method statements that may allow competent contractors doing work under Contractor's management to achieve long term stable platforms over which Contractor can design/build their equipment. This may include alternative foundation designs such as mat or screw piles, if the geotech modelling supports these methods.

- Nalcor never requested GE to supply material for 1st layer or to scrap and stockpile the existing material for later re-use
- Nalcor was responsible to provide instructions to GE if were to scrap, stockpile and reuse the material



MFA – First Layer Granular Fill issues (variance BL: -35d)

Activity ID	CHR	Activity Name	Remaining Duration	Start (August-2017-Simul)	Finish (August-2017-Simul)	Project Start (Monopole BL)	Project Finish (Monopole BL)	Total Float (August-2017-Simul)	Total Float (Monopole BL)	2017											
										Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
COMMON																					
-49d			13d	05-Feb-2018	18-Feb-2018	18-Dec-2017	31-Dec-2017	0d													
CPLCOM-DC.SC.500	y	* Low Power Transfer Tests Pole1 From 45MW to 112.5MW (2 shifts)	13d	05-Feb-2018	18-Feb-2018*	18-Dec-2017	31-Dec-2017	-49d	0d												
0d			0d	18-Feb-2018	18-Feb-2018	31-Dec-2017	31-Dec-2017	0d													
CPLCOM-DC.SC.530	y	* Dynamic commissioning Phase 1 - Complete	0d		18-Feb-2018		31-Dec-2017	0d	0d												
MUSKRAT FALLS																					
-35d			125d	03-Oct-2016A	11-Sep-2017	03-Oct-2016	14-Jul-2017	-35d													
CD501-MFCWEC.02031	y	DC YARD : CONSTRUCTION EQUIPMENT FOUNDATIONS (P2 - SOUTH) - MUSKRAT FALLS	125d	03-Oct-2016A	11-Sep-2017	03-Oct-2016	14-Jul-2017	-35d	0d												
0d			57d	01-Nov-2016A	07-Jun-2017	01-Nov-2016	06-Jun-2017	0d													
CD501-MFCWEC.02021	y	DC YARD : CONSTRUCTION EQUIPMENT FOUNDATIONS (P1 - NORTH) - MUSKRAT FALLS	46d	01-Nov-2016A	23-May-2017	01-Nov-2016	22-May-2017	0d	1d												
CD501-MFCWEC.28650	y	CIVIL WORKS P4 : D-Y- Cable Trenches / PVC Conduits to equipments / Drainage D3 - SECTION 2 - MFA	6d	31-May-2017	07-Jun-2017	30-May-2017	06-Jun-2017	0d	1d												
5d			36d	10-Apr-2017	31-May-2017	10-Apr-2017	31-May-2017	5d													
CD501-MFCWEC.00030	y	CIVIL WORKS P4 : D-Y- Grounding Grid / Pigtails - MFA	36d	10-Apr-2017*	31-May-2017	10-Apr-2017	31-May-2017	5d	5d												
SOLDIERS POND																					
-24d			89d	22-Sep-2016A	21-Jul-2017	22-Sep-2016	02-Jun-2017	-24d													
CD501-SPCWEC.04781	y	DC YARD : CONSTRUCTION EQUIPMENT FOUNDATIONS (P1 - SOUTH) - SOLDIERS POND	89d	22-Sep-2016A	21-Jul-2017	22-Sep-2016	31-May-2017	-24d	13d												
CD501-SPCWEC.04771	y	DC YARD : CONSTRUCTION EQUIPMENT FOUNDATIONS (P2 - NORTH) - SOLDIERS POND	89d	10-Oct-2016A	21-Jul-2017	10-Oct-2016	02-Jun-2017	-24d	11d												

Extension of costs for overheads for PHCL... clash between PHCL & Cahill driving loss of productivity, change in sequence, etc.



November 6, 2017

Soil Layer 1

Status & Impact

- The work was completed 3Q 2017
- GE issued two change requests on 28-July-2017:
 - (1)CD0501 for [REDACTED] CAD
 - (2)CD0502 CHR Rev 1 for [REDACTED]
- Schedule impact is 35 days.



[REDACTED]

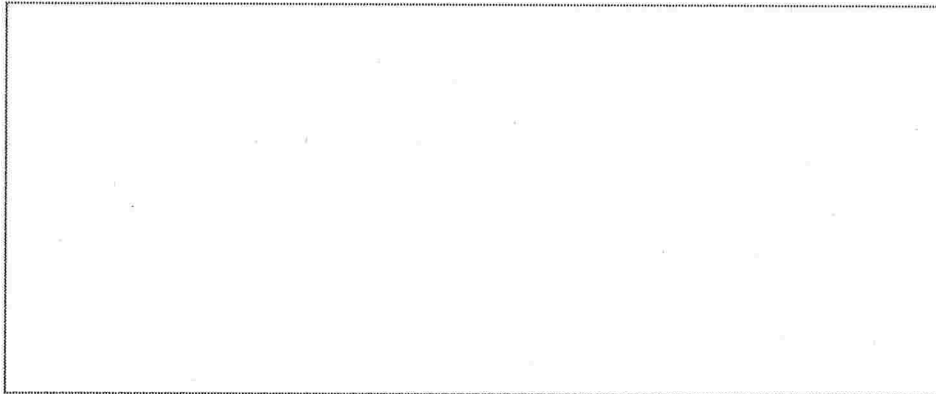
November 6, 2017

Soil Layer 1

GE Proposal

- Nalcor to approve and pay for the change request.

Agreement



Nalcor's Reply

On May & June 2017, Nalcor took exception on GE notification.

On July 2017, Nalcor rejected GE statement that the site preparation at SOP, MFA and CFA was done as per the specifications by arguing that GE has the obligation to replace

On August 2017, Nalcor rejected GE revised changes and argumentation by stating that GE disturbed the site so GE has to replace,

On September 2017, Nalcor requested additional substantiation to GE to demonstrate Ge entitlement



November 6, 2017

Site Shutdown/Outages

CHR-CD0501001-2032

CHR-CD0501001-2033

CHR-CD0502001-2028

CHR-CD0502001-2029



November 6, 2017

Site Shutdown/Outages - CHRs 2032/2033/2028/2029

Issue & Applicable Contract Provisions

- Nalcor shutdown some of GE's work at the MFA site from April 11 until April 15, 2017, which was unnecessary, excessive, and unrelated to immediate safety concerns.
- Nalcor shutdown SOP on May 25, 2017 due to problems with the Traffic Management Plan. This shutdown was improper and unnecessary as the plan was approved on July 22, 2015.
- In addition, there was a power outage on May 8, 2017 for which GE provided emergency generators.
- GE is entitled to recover all costs incurred due to shutdowns and outages and an adjustment to the schedule to account for the delay and schedule impacts



Site Shutdown/Outages

Relevant Dates

1 Shutdown April 11-15, 2017

- April 25, 2017 – GE issued a letter indicating that the work will resume at MFA after the notice of suspension.
- July 2, 2017 – GE issued a change request

2 Outage April 29-30, 2017

- May 8, 2017 – GE issued a letter to Nalcor to inform them of the power outage and the supply of additional generators.
- July 2, 2017 – GE issued a change request to Nalcor

3 Shutdown May 25, 2017

June 13 – GE issued a letter to Nalcor indicating that work was improperly stopped by Nalcor due to the Traffic Management Plan which was issued on July 22, 2015.

July 22, 2017 – GE issued a change request



November 6, 2017

Site Shutdown/Outages

Status & Impact

- GE issued 4 change requests for 3 events:
- MFA site shutdown 11-April, 2017 - 15-April, 2017. Amount: [REDACTED] CAD and [REDACTED] CAD.
- SOP site Shutdown on 25-May, 2017. Amount: [REDACTED] CAD and [REDACTED] CAD
- Schedule impact of 7 days on MFA monopole main critical path driven by the foundation works in the DC yard



[REDACTED]

November 6, 2017

Shutdown impact on MFA main Critical path - (Delays to BL: -7d)

ALSTOM GRID HVDC POWER ELECTRONICS		SCHEDULE SIMULATION OF SHUTDOWN at MFA 11-15 APR-2017 IMPACT ON MAIN CRITICAL PATH DATA DATE: 23-Mar-2017								ISSUE DATE: 30-Oct-2017 CG501_LCP Official - Subsystem WBS											
Activity ID	Activity Name	BL Project Duration	Remaining Duration	Start	Finish	BL Project Start	BL Project Finish	Total Float	BL Project Total Float	Gantt Chart (2017-2018)											
Total		354d	259d	01-Nov-2016 A	18-Mar-2018	01-Nov-2016	11-Mar-2018	282d		[Gantt Chart Summary]											
CD501-ProjectBalanceOfPlant		193d	192d	21-Jun-2017	18-Mar-2018	13-Jun-2017	11-Mar-2018	232d		[Gantt Chart Summary]											
COMMON		147d	146d	24-Aug-2017	18-Mar-2018	16-Aug-2017	11-Mar-2018	262d		[Gantt Chart Summary]											
MUSKRAT FALLS		125d	125d	21-Jun-2017	14-Dec-2017	13-Jun-2017	06-Dec-2017	362d		[Gantt Chart Summary]											
CD501-ProjectCivilEng&ConstrElectroMechanicalInstallation&Comm		229d	135d	01-Nov-2016 A	25-Sep-2017	01-Nov-2016	15-Sep-2017	109d		[Gantt Chart Summary]											
MUSKRAT FALLS STATION		229d	135d	01-Nov-2016 A	25-Sep-2017	01-Nov-2016	15-Sep-2017	109d		[Gantt Chart Summary]											
DELTA STAR & CONVERTER TRANSFORMERS AREA		6d	6d	07-Jun-2017	14-Jun-2017	30-May-2017	06-Jun-2017	-5d		[Gantt Chart Summary]											
CONVERTER CONTROL BUILDING		72d	72d	15-Jun-2017	25-Sep-2017	07-Jun-2017	15-Sep-2017	102d		[Gantt Chart Summary]											
DC YARD		189d	100d	01-Nov-2016 A	07-Aug-2017	01-Nov-2016	29-Jul-2017	6d		[Gantt Chart Summary]											
SYSTEM POLE 1		158d	67d	01-Nov-2016 A	21-Jun-2017	01-Nov-2016	19-Jun-2017	-5d		[Gantt Chart Summary]											
DC YARD : FOUNDATIONS		156d	67d	01-Nov-2016 A	21-Jun-2017	01-Nov-2016	19-Jun-2017	-5d		[Gantt Chart Summary]											
CD501-MFCWEC.200	DC YARD : EQUIPMENT FOUNDATIONS (P1 - NORTH) - MUSKRAT FALLS (with Shutdown impact)	140d	51d	01-Nov-2016 A	30-May-2017	01-Nov-2016	22-May-2017	-7d		[Gantt Chart Summary]											
CD501-MFCWEC.400	DC YARD : CONSTRUCTION CABLE TRENCHES (P1 - NORTH) - SECTION 1 - MUSKRAT FALLS	4d	4d	07-Jun-2017	12-Jun-2017	30-May-2017	02-Jun-2017	-5d	1d	[Gantt Chart Summary]											
CD501-MFCWEC.400	DC YARD : CONSTRUCTION CABLE TRENCHES (P1 - NORTH) - SECTION 3 - MUSKRAT FALLS	11d	11d	07-Jun-2017	21-Jun-2017	30-May-2017	13-Jun-2017	-5d	1d	[Gantt Chart Summary]											
SYSTEM POLE 2		23d	23d	06-Jul-2017	07-Aug-2017	28-Jun-2017	28-Jul-2017	6d		[Gantt Chart Summary]											
501-MuskratFallsSolder'sPond&TCCommStaticChecks&DynamicCommg		147d	146d	24-Aug-2017	18-Mar-2018	16-Aug-2017	11-Mar-2018	115d		[Gantt Chart Summary]											
501	MFA Mechanical Completion Milestones BY SUB SYSTEM	23d	23d	24-Aug-2017	28-Sep-2017	16-Aug-2017	19-Sep-2017	232d		[Gantt Chart Summary]											
501	MFA Commissioning Static Checks Muskrat Falls	76d	76d	25-Aug-2017	13-Dec-2017	17-Aug-2017	05-Dec-2017	161d		[Gantt Chart Summary]											
501	Prep for Dynamic Commissioning & System Commissioning	1d	1d	13-Dec-2017	14-Dec-2017	05-Dec-2017	06-Dec-2017	-6d		[Gantt Chart Summary]											
501	Dynamic Commissioning & System Commissioning Low Power Transfer 225MW	65d	64d	14-Dec-2017	10-Mar-2018	04-Dec-2017	11-Mar-2018	157d		[Gantt Chart Summary]											
CPLCOM-DC.SC.470	Filter & bus bar Energization MFA - P1	3d	3d	14-Dec-2017	17-Dec-2017	07-Dec-2017	10-Dec-2017	-7d	0d	[Gantt Chart Summary]											
CPLCOM-DC.SC.480	Interlocks Interlocks, Blocking/Unblocking and Trip tests - P1	1d	1d	14-Dec-2017	15-Dec-2017	06-Dec-2017	07-Dec-2017	-6d	2d	[Gantt Chart Summary]											
CPLCOM-DC.SC.440	Converter Station Pole 1 Ready for Energizing	1d	1d	14-Dec-2017	15-Dec-2017	06-Dec-2017	07-Dec-2017	-6d	2d	[Gantt Chart Summary]											
CPLCOM-DC.SC.450	DC system Configuration and in operation - P1	1d	1d	15-Dec-2017	16-Dec-2017	07-Dec-2017	08-Dec-2017	-6d	2d	[Gantt Chart Summary]											
CPLCOM-DC.SC.0100	Converter energization OLT & OCT Pole 1 MFA	2d	2d	17-Dec-2017	19-Dec-2017	10-Dec-2017	12-Dec-2017	-7d		[Gantt Chart Summary]											
CPLCOM-DC.SC.0160	Converter energization OLT & OCT Pole 1 SOP	2d	2d	19-Dec-2017	21-Dec-2017	12-Dec-2017	14-Dec-2017	-7d	0d	[Gantt Chart Summary]											
CPLCOM-DC.SC.0430	Calibration of DC Line Fault Locator Pole 1	4d	4d	21-Dec-2017	25-Dec-2017	14-Dec-2017	18-Dec-2017	-7d	0d	[Gantt Chart Summary]											
CPLCOM-DC.SC.0170	Valve Hall 1 Inspection	2d	2d	21-Dec-2017	23-Dec-2017	14-Dec-2017	16-Dec-2017	-5d	2d	[Gantt Chart Summary]											
CPLCOM-DC.SC.500	* Low Power Transfer Tests Pole 1 From 45MW to 112.5MW (2 shifts)	13d	13d	25-Dec-2017	07-Jan-2018	18-Dec-2017	31-Dec-2017	-7d	0d	[Gantt Chart Summary]											

DC Yard equipment foundation delayed due site shutdown

Cascade impact to successor activities

November 6, 2017

Site Shutdown/Outages – CHRs 2032/2033/2028/2029

Issue & Applicable Contract Provisions

- Nalcor shutdown some of GE's work at the MFA site from April 11 until April 15, 2017, which was unnecessary, excessive, and unrelated to immediate safety concerns.
- Nalcor shutdown SOP on May 25, 2017 due to problems with the Traffic Management Plan. This shutdown was improper and unnecessary as the plan was approved on July 22, 2015.
- In addition, there was a power outage on May 8, 2017 for which GE provided emergency generators.
- GE is entitled to recover all costs incurred due to shutdowns and outages and an adjustment to the schedule to account for the delay and schedule impacts

Applicable Contract Provisions – CD0501 - Exhibit 12 – Section 2.1 – Electrical Power (Power Outages)

Company will make every effort to maintain an uninterrupted supply of electric power at each of the Sites, but cannot guarantee that there will be no interruption during the duration of the Work. Company will not be held responsible for such interruptions, variations in voltage or frequency or damage arising thereof. Contractor shall take the necessary measures to meet its needs in case of emergency. Contractor shall have an emergency power supply to ensure that critical work tasks can remain operational at any times (i.e. dewatering systems and sedimentation ponds):

In the event that the supply of electric power at any of the Sites is interrupted for a prolonged period and Contractor is required to use emergency or temporary power supplies, the cost of providing this temporary power will be reimbursed to Contractor.



November 6, 2017

Site Shutdown/Outages – CHRs 2032/2033/2028/2029

Applicable Contract Provisions _At.15 – EHS, Art.5 – CTR Personnel and Art 38.

According Art.5.1, if Company requires to remove Contractor’s a notice shall be issued to Contractor:

- 5.1 Contractor shall furnish and procure the numbers and classifications of Contractor’s Personnel required to perform the Work. In the event Contractor fails to provide the numbers or classifications of Contractor’s Personnel required in respect of the Work, Company may issue a Notice that Contractor is in default of this Article 5.1, and:
- (a) require Contractor within five (5) Business Days of such Notice to prepare an action plan to cure the default for Company’s Approval;
 - (b) require Contractor to commence and diligently follow the Approved action plan; and
 - (c) if Contractor fails to commence and diligently follow the action plan, Company may, at Contractor’s sole expense, retain other contractors and deduct the costs associated with retaining such other contractors from the applicable compensation payable by Company to Contractor for the period such positions remain unfilled by Contractor.

According Art.5.3 – Contractor will remove its personnel only and if they engage in misconduct, unsafe activities or incompetency, negligence, medical issue or under drug and alcohol.

- 5.3 Contractor shall immediately remove and/or replace, at Contractor's own expense, any of Contractor's Personnel if, in the sole judgment of Company, any of Contractor's Personnel:
- (a) cease to carry out his or her duties in a manner satisfactory to Company or engages in misconduct, unsafe activities, or is incompetent or negligent;
 - (b) is certified by a medical practitioner as being medically unfit for the duties required of him or her; or
 - (c) risks impairing his or her usefulness in the performance of his or her duties through the use of alcohol or drugs.



Site Shutdown/Outages – CHRs 2032/2033/2028/2029

Applicable Contract Provisions _At.15 – EHS, Art.5 – CTR Personnel and Art 38.

Nalcor is allowed to suspend the work only and if GE does not respect or is in violation of Article 15 – EHS as per 15.8 as reinforced by Art.38.1

15.8 Company shall have the right to suspend performance of the Work for as long as necessary to prevent or stop any violation of this **Article 15**. During such period of suspension, Contractor shall not demobilize from the Worksite. No compensation shall be payable to Contractor by Company and Contractor shall not be entitled to compensation for any costs it incurs as a result of the suspension.

38.1 Contractor represents and warrants that during the Term:

- (a) it has the required skills, experience, facilities, equipment and capacity to perform the Work in a timely manner and in accordance with the terms of this Agreement, Applicable Laws, the Standard of a Prudent Contractor and Good Utility Practice;
- (b) all Contractor's Personnel involved in carrying out any of the Work have the qualifications, training and experience, and hold such valid licences and certificates of competence, as are required to carry out their duties in relation to the Work (including visas and work permits);
- (c) **Article 15** and Exhibit 5 – Health and Safety requirements are satisfied; and
- (d) the making and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not and will not violate any Applicable Law or any provision of its governing documents.



GE Grid Solutions submission to CIMFP

November 6, 2017

GE_Musktrat_0000070

CHR-CD0501001-2032 – July 2, 2017

Pages 1,2

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0501-001	CHR No. (reference)
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	CHR-CD0501001-2032
Company:	LILP	Rev. No:
Contractor/Supplier:	Grid Solutions Canada	CRD No.:
	CD0501 - MFA - Site Shutdown between 11-Apr-2017 to 15-Apr-2017	Date:
		2 July 2017
Title:		Annex No.:
		DAN No.:
		N/A
Description of Change Request and Reason (attach all supporting information):		
Scope of Work Change:		
Company decreed a site shutdown at the Muskrat falls site on the 11-Apr-2017. The site shutdown was extended until the 15-Apr-2017.		
The site shutdown was unnecessary and excessive, unrelated to immediate safety concerns. Any open issues should have been addressed via conflict resolution meeting with the high management. Even if Contractor had some adjustment to make, the site was far from being unsafe to justify a shutdown.		
Therefore, Company should cover the costs incurred by Contractor and its subcontractors.		
Contract Price Change and Terms of Payment:		
As per Attachment 1 - Price Breakdown, the total cost incurred is [REDACTED]		
However, only 65% of this amount will be attributed to CD0501-001. Therefore, This Change Request totals an increase of [REDACTED] to the Contract Price. The rest will be subject to separate Change Request for CD0502-001.		
This change request is proposed as a lump sum.		
Supporting information that forms part of this Change Request:		
<ul style="list-style-type: none"> - Attachment 1 - Price Breakdown - Cost Summary Table - LTR-CD0501-AG-LILP-0343 		
Description of Impact on Control Schedule:		
This Change Request includes only direct cost impacts. Any schedule impact arising from the scope in question will be communicated to Company via separate Change Request.		
Revised Finish Date:		
TBD		

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0501-001	CHR No. (reference)
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	CHR-CD0501001-2032
Company:	LILP	Rev. No:
Contractor/Supplier:	Grid Solutions Canada	CRD No.:
	CD0501 - MFA - Site Shutdown between 11-Apr-2017 to 15-Apr-2017	Date:
		2 July 2017
Title:		Annex No.:
		DAN No.:
		N/A
ORIGINATOR <input type="checkbox"/> COMPANY <input checked="" type="checkbox"/> CONTRACTOR/SUPPLIER <input type="checkbox"/>		
Prepared by:	Feres Faresan	Signature
Contract Manager:	Kemal Arab	Date
Project Finance Controller:	Nancy Langlois	2017-07-13
CD0501 Project Manager:	Duy Dieblich	02-JULY-2017
LCP Project Director:	Scott Branchi	14 JUL 2017
Received by:		Signature
		Date



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000071

CHR-CD0501001-2032 – July 2, 2017

Page 3

LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Attachment 1 – Price Breakdown

CHR-2032 - MFA - Rite Shutdown					
Item	Description	UOM	Total Qty	Unit Price (CAD)	Extended Price (CAD)
1	Contractor costs				
1.1	Contractor's staff	LS	1		
1.2	Markup	%	0.05		
2	Subcontractor costs				
2.1	Subcontractors and labour	LS	1		
2.2	Equipment	LS	1		
2.3	Site services	LS	1		
2.4	Make-up	LS	0.05		
Value of this Change Request:					



[Redacted]

SCP-FI-MD-0009-SC-FR-0003-01, REV 05

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[Redacted]

November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Musktrat_0000072

CHR-CD0501001-2033 – July 2, 2017

Pages 1,2

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0501-001	CHR No. (Internal): CHR-CD0501001-2033
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	Rev. No: 0
Company:	LILP	CHO No:
Contractor/Supplier:	Grid Solutions Canada	Date: 2-July-2017
Title:	CD0501 - SOP - Site Shutdown on 25-May-2017	Aconex No.: DAN No.: N/A
Description of Change Request and Reason (attach all supporting information):		
<p>Scope of Work Change:</p> <p>As described in Contractor's Letter LTR-CD0501-AG-LILP-0383 dated 13-Jun-2017, Company's site representative (in)properly stopped most of Contractor's activities due to problems with the Traffic Management Plan.</p> <p>However, The Traffic Management Plan was already reviewed and approved by Company and the modifications that were ultimately implemented could have been communicated without the need of a shutdown.</p> <p>Therefore, Company should cover the costs incurred by Contractor and its subcontractors.</p> <p>Contract Price Change and Terms of Payment:</p> <p>As per Attachment 1 - Price Breakdown, the total cost incurred is [REDACTED]</p> <p>However, only 65% of this amount will be attributed to CD0501-001. Therefore, This Change Request totals an increase of: \$ 102,140.92 CAD to the Contract Price. The rest will be subject to separate Change Request for CD0562-001.</p> <p>This change request is proposed as a lump sum.</p> <p>Supporting Information that forms part of this Change Request:</p> <ul style="list-style-type: none"> - Attachment 1 - Price Breakdown - Subcontractor 1 - Costs - LTR-CD0501-AG-LILP-0383 <p>Description of impact on Control Schedule:</p> <p>This Change Request includes only direct cost impacts. Any schedule impact arising from the scope in question will be communicated to Company via separate Change Request.</p> <p>Revised Finish Date: TBD</p>		

LCP-PT-AND-0000-SC-FR-0003-01, Rev 85

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LOWER CHURCHILL PROJECT	CHANGE REQUEST																																					
Agreement No:	CD0501-001	CHR No. (Internal): CHR-CD0501001-2033																																				
Agreement Title:	Supply and Install Converter Stations and Transition Compounds	Rev. No: 0																																				
Company:	LILP	CHO No:																																				
Contractor/Supplier:	Grid Solutions Canada	Date: 2-July-2017																																				
Title:	CD0501 - SOP - Site Shutdown on 25-May-2017	Aconex No.: DAN No.: N/A																																				
<table border="1"> <thead> <tr> <th>ORIGINATOR</th> <th>COMPANY</th> <th>CONTRACTOR/SUPPLIER</th> <th></th> </tr> <tr> <th>Title</th> <th>Name</th> <th>Signature</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Prepared By:</td> <td>Kamal Karoo</td> <td>[Signature]</td> <td>2-Jul-17</td> </tr> <tr> <td>Contract Manager:</td> <td>Harish Arul</td> <td>[Signature]</td> <td>01-Jul-17</td> </tr> <tr> <td>Project Finance Controller:</td> <td>Honey Langlois</td> <td>[Signature]</td> <td>2017-07-04</td> </tr> <tr> <td>CD0501 Project Manager:</td> <td>Duy Davidson</td> <td>[Signature]</td> <td>31-JULY-2017</td> </tr> <tr> <td>LCP Project Director:</td> <td>Scott Branch</td> <td>[Signature]</td> <td>18-JUL-2017</td> </tr> <tr> <td>Received By:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Title</td> <td>Name</td> <td>Signature</td> <td>Date</td> </tr> </tbody> </table>			ORIGINATOR	COMPANY	CONTRACTOR/SUPPLIER		Title	Name	Signature	Date	Prepared By:	Kamal Karoo	[Signature]	2-Jul-17	Contract Manager:	Harish Arul	[Signature]	01-Jul-17	Project Finance Controller:	Honey Langlois	[Signature]	2017-07-04	CD0501 Project Manager:	Duy Davidson	[Signature]	31-JULY-2017	LCP Project Director:	Scott Branch	[Signature]	18-JUL-2017	Received By:				Title	Name	Signature	Date
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Title	Name	Signature	Date																																			

LCP-PT-AND-0000-SC-FR-0003-01, Rev 85

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November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000073

CHR-CD0501001-2033 – July 2, 2017

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LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Attachment 1 – Price Breakdown

CHR-2033 - ROP - Stop Work on 23-May-2017					
Item	Description	UOM	Total Qty	Unit Price (CAD)	Extended Price (CAD)
1	Site Management				
1.1	Site Manager	Hour	8		
1.2	Field Manager	Hour	8		
1.3	SA/QC	Hour	8		
2	Subcontractor 1 - costs				
2.1	Subcontractor 1 - Equipment, Craft and Surf Costs	LB	1		
2.2	Subcontractor 1 - Extra works	LB	1		
2.3	Mark-up	LB	0.00		
3	Subcontractor 2 - costs				
3.1	Subcontractor 2 - Equipment, Craft and Surf Costs	LB	1		
3.2	Mark-up	LB	0.00		
Value of this Change Request					

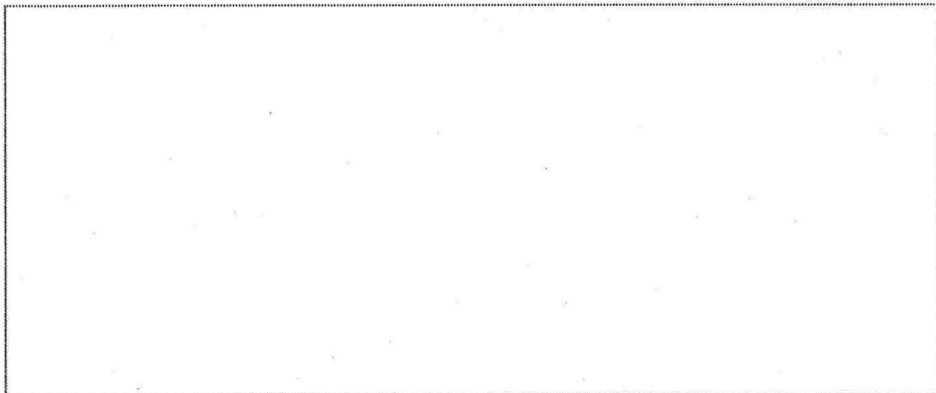


Site Shutdown/Outages

GE Proposal

- Nalcor to approve and pay for the change requests

Agreement



Nalcor's Reply

On April 2017, Nalcor stopped the work at MFA by arguing Safety issues

On April 2017, by email, Nalcor requested GE to removed 4 people for GE's team or Nalcor will maintain the shutdown at MFA

On May 2017, Nalcor rejected the GE Change enclosing the impacts of suh shutdown arguing it was due to safety issues and as per the contract GE is allowed to compensation.

On May 2017 at SOP, Nalcor stopped the work even inside the buildings because they wanted to revised the Traffic Management despite the approved management document

On June 2017, Naclor rejected GE changes for the stop occurred in May at SoP by arguing it was safety reasons

Between July and September 2017, recurrent power and internet outages occurred by impacting GE, Nalcor rejected GE request for compensation by arguing that it is included in the contract while the CD0501 allows to be reimbursed for a prolonged interrruption period



November 6, 2017

SHUNT REACTOR

CHR-CD502001-0024



November 6, 2017

Shunt Reactor - CHR 0024

Issue

- On June 19, 2017, Nalcor requested that GE provide a change request to integrate and commission a 150MVAR Shunt Reactor for the Muskrat Falls site due to the delays of the Muskrat Falls hydroelectric plant.
- Nalcor issued a revised request for this change request on August 10, 2017.
- GE provided a proposal for [REDACTED] and Nalcor provided a counter offer of [REDACTED], plus [REDACTED] for acceleration.

Applicable Contract Provisions

- Article 26.2 requires all changed work to have a signed work order.



[REDACTED]

GE Grid Solutions submission to CIMFP

November 6, 2017

GE_Muskrat_0000077

Shunt Reactor

Relevant Dates

- September, 2016 - During engineering meeting, Nalcor started to discuss the shunt reactor
- November 4, 2016 – During Steering Committee Meeting where GE presented proposal to provide phased delivery, GE requested that Nalcor provide all details of the Shunt Reactor in order to incorporate it into the system and integrate it into the P&C software for mono-pole and bi-pole operations (Nalcor refused)
- January 27, 2017 - Presentation and discussion about Phased Approach- Nalcor decided to add a shunt reactor due to the Power House unavailability
- February 8, 2017 - Shunt reactor Discussions between GE and Nalcor
- May 16, 2017 - Email from Nalcor requesting a meeting with GE team to discuss the impacts it may have to CD0502 Scope and informing GE that a 150MVAR Shunt Reactor will be installed at MFA late summer 2017
- June 19, 2017 - Request for proposal issued by Nalcor
- June 30, 2017 - Meeting to discuss the CHR received from Nalcor
- July 25, 2017 - GE received – Partial Cable Termination schedule from CPY
- August 4, 2017 - GE sent a letter to Nalcor requesting clarifications
- August 10, 2017 - Nalcor provided clarifications to GE
- August 10, 2017 - Revised request for proposal sent by Nalcor



Shunt Reactor

Relevant Dates

- August 11, 2017 - Nalcor meeting with Jerome Barbery
- September 19, 2017 - GE provided a change request to Nalcor with target date of reply on 23-Sept-2017
- September 19, 2017 - Email from Nalcor requesting the native copy of the schedule and cost breakdown of our CHR proposal
- September 26, 2017 - GE letter, reference to discussions during February 2017
- September 29, 2017 - Email from Nalcor requesting confirmation on cables at site, tests to be redone, impacts on CD0501 activities. Nalcor indicated that ATCO and SNC Lavalin estimations are between 295k\$ and 400k\$ (unlikely that this included software concerns, modeling and simulations)
- September 30, 2017 - Ref. to meeting of September 21. Proposal validity date expired
- September 30, 2017 - Email from Nalcor regarding our notification about the validity of our CHR
- October 5, 2017 - Letter from Nalcor replying to expiration of the proposal
- October 6, 2017 - E-mail from Nalcor indicating that ABB will be awarded some of the work.
- October 17, 2017 - GE replying to Nalcor based on the discussions of the 5th Oct and the letters.
- October 27, 2017 - Nalcor submitted a proposal for \$400K plus \$200K for acceleration



Shunt Reactor

Status & Impact

- Shunt reactor was not in GE original scope for the works
- Shunt reactor requires changes to software for Mono-Pole and Bi-Pole configurations as well as modifications to the pre-commissioning and commissioning testing plans for both configurations.
- Software integration must be accomplished by GE.
- The shunt reactor was delivered on August, 2017.
- Nalcor delivered two additional P&C panels for the shunt reactor on Oct 10, 2017.
- GE issued a change request for [REDACTED] CAD for the additional scope to the contract.
- The proposed work can be completed by May, 2018 if the CHR is approved by 1st week of November, 2017.

NOTE: The AC Filters cannot be energized without having the shunt reactor in place.



[REDACTED]

November 6, 2017

Letter CD 502-LTC LILLP-0355 1 of 2



Labrador-Island Link Limited Partnership
 Lower Church Project
 350 Terbay Road Plaza, Suite No. 2
 St. John's, NL
 Canada A1A 4E1



To the attention of M. Follett

Date: 26 Sept-2017
 OCT

O/Ref: LTR-CD0502-AG-LTC LILLP-0355
 Y/Ref: LTR-CD0502-LTC LILLP-AG-0437 dated 12-Sept-2017 & PT-CHR-CD0502001-0027 rev.01 received 12-Sept-2017
 Agreement No. CD0502 - AC Substations Construction

Subject: CHR-CD0502001-0027 rev.01- Missing 8 free-issued panels from Company- Contractor Reply

Dear Mr. Follett,

Referring to Company's letter and revised CHR-CD0502001-0027 rev.01 quoted above pertaining to the missing Eight (8) free-issued panels from Company, Contractor responds as follows.

With regards to these 8 missing panels (4362-PP-B6-0007, 4362-PP-B6-0008, 4362-PP-B6-0017, 4362-PP-B6-0018, 4362-PP-B6-0039, 4362-PP-B6-0040, 4362-PP-B6-0048 and 4362-PP-B6-0049), Contractor will need to review its current design to remove those panels.

Further to the technical meeting held on 17-Oct-2017 to clarify Company's request, Contractor will proceed with the change request for the removal of those panels from Contractor's scope of Work, the following points shall be reviewed:

- 1 - The main items associated with removal of the panels include the following.
 - a. Tripping and Closing circuits shall be modified to remove the missing panels from the design. Preliminary mockups will be included in the Change proposal.
 - b. Trip Circuit Supervision to remove the missing panels from the design.
 - c. CD0501 logics which are impacted.
 - d. SMCS network. The protection relays inside those panels will no longer be included in our network. SMCS communication architecture will be updated to show the fiber optics required to bypass the removed panels. The HMI System View will be updated with the new bypass fibers and the relays of the free-issued panels will be kept inactive in the view.
 - e. The generator view will be kept in the HMI. It is understood by all parties that invalid data will be shown on this view, as well as on the the alarm and event views.
 - f. Contractor will submit the documentation listed in point 4 to reflect the removal of 8 free-issued panels.

03-Oct-2017

Page 2 of 4

- 2 - As far as practical, cables will be pulled and coiled underneath the panel with sufficient length to be terminated at a later stage.
 - a. Contractor will secure these cables and make them safe trail the cables back under the raised floor if they were already pulled out and isolate ends to prevent accidental grounding or contact with live equipment. As such, these costs will be estimated as requested in the first part of the CHR-CD0502001-0027 rev.01
 - b. Contractor will not perform the following work:
 - i. Install the missing panels
 - ii. Gland and terminate the cables
 - c. For those cables which are already glanded and terminated in the existing panels, the cores will be unterminated and safely left inside the wiring duct.

3- Additional cables to be supplied and run to complete the modified circuits. Accessories associated to be supplied (cable and core tags, cable glands if used, etc.)

- 4- The following documentation shall be amended and modified:
 - a. SMCS architecture to reflect temporary arrangement, document number MFA-A5-SD-4360-PT-C05-0001-01
 - b. Site Test procedures to reflect the above changes
 - c. R101L, R11B31, B21031, B2021, R1012, R12B32, B22B32 and B2B22 LCC schematics to reflect the missing panels in the closing, tripping and trip circuit supervision circuits.
 - d. Diagram 1 and 2 protection panels to reflect the revised circuits.
 - e. Cable and termination schedules to be updated to reflect the revised circuits

5 - In order to implement the changes in timely manner. The parties agreed that Contractor will provide red-line markings of the documents and will arrange a fast-track approval meeting with Company. As-Built documentation will then be submitted to reflect the modification after installation.

Exclusion

- 1- The following interfaces shall not be commissioned and shall be performed at a later stage:
 - ✓ Interface to confirm that the missing panels are manufactured as per the latest design and inputs provided by Contractor.
 - ✓ Interface between the missing panels and the Fault Recorders.
 - ✓ Interface between SMCS and the protection and control relays installed in the missing panels.
 - ✓ Interface between SMCS and the power station control system and all interfaces as described in TC (including interlocking).
 - ✓ Interface between ECC and the information related to the missing panels via SMCS
 - ✓ Time synchronization of the relays in the missing panels. Cables will be pulled and coiled underneath the panel locations.



November 6, 2017

CHR-CD0502001-0024 – Sep 18, 2017

Pages 1,2

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0502-001	CHR No. reference:
Agreement Title:	Construction of ac Substations	Rev. No.:
Company:	LTC and LRLP	CRO No.:
Contractor/Supplier:	GRID Solutions Canada	Date:
Title:	Shunt Reactor Integration	Asonex No.:
		DAN No.:
Description of Change Request and Reason (attach all supporting information):		
<p>Scope of Work Change: As per Company's request, Contractor is providing a proposal to make changes to integrate and commission a 150 MVA Shunt Reactor at the Muskrat Falls Site, including receiving, installing and commissioning the protection panels in accordance with the Scope of Work enclosed under Company's CHR-CD0502001-0038 - Shunt Reactor Integration.</p> <p>This change request excludes:</p> <ul style="list-style-type: none"> - All Civil Works including above and below ground works - Dismantling of all equipment related to the Shunt Reactor and connection to the MFA power house - Any 315 KV work - Shunt Reactor preservation, maintenance and oil treatment - Optional FAT for DS Agile: if the option is exercised, two weeks should be added to the schedule completion upon receipt of Company's equipment (protection relays) at Contractor's Factory (Montpellier) before the FAT date. - Commissioning integration into the PCS - Any impact due to missing Andritz's panels is not covered in this CHR and will be subject to a separate CHR - All impacts on CD0501001 activities are excluded from this CHR - Any changes on CD0501001 interfaces <p>Assumptions includes:</p> <ul style="list-style-type: none"> - CHO shall be received before the 25-Sep-2017 end of business day - After this date, Contractor reserve its rights to revise this Change Request - This engineering documentation shall be approved in two weeks - Company Cable Tests will be issued and available at CHO signature <p>Schedule Assumptions:</p> <ul style="list-style-type: none"> • Engineering: 8 hours/day, 5 days/week, with Canadian holidays • Procurement: 8 hours/day, 5 days/week, with Canadian holidays • Construction: 10 hours/day, 5 days/week with no holidays • Commissioning: 8 hours/day, 7 days/week with no holidays <p>The work will be performed upon the approval of the Change Order and mutually agreed by both parties.</p>		

ICP-PM-CD0502-01 Rev 01

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LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0502-001	CHR No. reference:
Agreement Title:	Construction of ac Substations	Rev. No.:
Company:	LTC and LRLP	CRO No.:
Contractor/Supplier:	GRID Solutions Canada	Date:
Title:	Shunt Reactor Integration	Asonex No.:
		DAN No.:
Contract Price Change and Terms of Payment:		
This Change Request totals an increase of: \$1,318,828.84 CAD in the Contract Price.		
This change request is proposed as a lump sum. Item prices cannot be analysed individually.		
Supporting information that forms part of this Change Request:		
Attachment 1 – List of Drawings		
Attachment 2 – Price Breakdown		
Attachment 3 – Critical Path and Use Schedule		
Attachment 4 – Interface Drawings		
CHR-CD0502001-0038 – Shunt Reactor Integration		
Description of Impact on Control Schedule and Revised Finish Dates:		
Refer to the Contractor's schedule attached.		
This change request seeks only the direct costs associated with the subject matter hereof (with appropriate standard mark-ups). Contractor specifically reserves its rights as to any extension of time and/or compensation for extended performance, disruption to the work or cumulative impact caused by or related to this change in the work to which it may be entitled under the contract documents.		
ORIGINATOR	COMPANY	CONTRACTOR/SUPPLIER
Title	Name	Signature
Prepared by:	Kamal Kamon	[Signature]
Contract Manager:	Kamal Arab	[Signature]
Project Finance Controller:	Nancy Kungolo	[Signature]
CD0502 Project Manager:	Alejandro Salazar	[Signature]
ICP Project Director:	Suss Blawie	[Signature]
Received by:		
Title	Name	Signature

ICP-PM-CD0502-01 Rev 01

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Letter CD 502-LTC LILLP-0355 2 of 2



Letter to Labrador-Island Link Limited Partnership
23-Oct-2017

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- 2- The following items will be partially commissioned:
 - ✓ 4 HVDC interface panels IC00501 logic itself will be fully tested by simulation of signals from the missing panels but final testing to be completed once the panels are installed. The logics are topology based which will require permits and outages if done with primary equipment. Any complete or re-commissioning of those items shall be subject to a Change Order.
- 3- The missing protection panels will not be tested including tripping, closing, interface with CD0501 URM, LLD, Generator in service. Any additional work or re-testing shall be subject to a Change Order.
- 4- Labels / Tags / Nameplates / Test switch nameplates shall not be changed to reflect the missing signals.
- 5- Decommissioning of the temporary cables and terminations of those cabled underneath the raised floor.

In addition to these exclusions, Contractor notifies Company as follows:

- Any impact on the Performance Guarantees of CD0501 Project will be subject to same by Company. Contractor will claim any modification and waves its responsibilities on the non-availability of the Contracted Performance Guarantees.
- Contractor releases its responsibilities in case of any shortages or damages due to the descoping and absence of these panels
- If the Substantial Completion of CD0502 is impacted by this descoping and/or the absence of these panels, Company shall amend Contractor's contract to exclude this portion of the scope.
- If the handover of the Substations is impacted by these missing panels as the result of the late notification from Company, the impact shall be compensable to Contractor by an extension of time with associated costs.

Contractor requests Company's comments on the above as soon as possible, to allow for a proper and accurate assessment of cost and schedule impacts.

This letter is being provided and is made without waiving and with the express reservation of Contractor's rights and remedies, in law or in equity, under applicable contracts or otherwise, including the right to refuse to provide confidential information to Company.



Letter to Labrador-Island Link Limited Partnership
23-Oct-2017

Page 4 of 4

Contractor remains at Company's disposal for any further information.

Yours Faithfully,

D. Scott Branch
Executive Project Director
Encl: N/A



Letter CD 502-LTC LILLP-0435 1 of 2



Lahrador-Island Link Limited Partnership
 Lower Churchill Project
 350 Torbay Road Plaza, Suite No. 2
 St. John's, NL
 Canada A1A 4E1

To the attention of M. Follitt

Date: 17-Oct-2017

O/Ref: LTR CD502-AC-3 TF1 B1 P-33A
 V/Ref: LTR CD502-LILLP-0435-043 dated 05-Oct-2017
 Agreement No: CD502-AC Substations Construction

Subject: CH-CD502001-0030 - Shunt Reactor Integration - Contractor Reply

Dear Mr. Follitt,

Responding to Company's referenced letter received on 06-Oct-2017 pertaining to CH-003A, Contractor has suspended all work on the Shunt Reactor pending clear direction and a signed Change Order. In order to avoid further delays and interface risk, Company is most strongly advised not to proceed with the remaining works associated with the Shunt Reactor. Furthermore, Contractor does not agree with the assertions in Company's correspondence for the following reasons:

- The shunt reactor proposed for CD502 was not included in Contractor's initial scope of work as in the associated technical specifications.
- Per the Contract, changes shall not constitute a material addition to the type or nature of the original Work as specified in Exhibit 1 - Scope of Work (including any amended part).
- As an out of scope change, Contractor does not have any contractual obligation to proceed with the integration of the CD502 Shunt Reactor.
- Company decided to incorporate the shunt reactor into CD502 of MFA as it means to be able to deliver power through the system generated at Churchill Falls, in order to overcome the lack of an operating Power House from Company's other Contractor at Muskrat Falls.
- Although Company may have discussed the addition of a shunt reactor at MFA during multiple meetings with Contractor over a period of more than a year, Company had not issued a Change Request to Contractor for this out of scope work until 19-Jun-2017, and per the Contract, Article 26.2, all changed work requires a signed Change Order which Contractor still does not have as of this writing.
- Additionally, despite Contractor's recommendation during a Steering Committee meeting with Client on 04 November 2016 to incorporate this equipment into Contractor's scope, the shunt reactor was never included as part of Contractor's Phased Approach scope or schedule.
- In order to deliver the Phased Approach schedule, or as close to it as possible, it is imperative that Contractor prioritize its in-scope critical activities before suspending all, or all of Contractor's staff is fully dedicated to construction and commissioning activities associated required by the aggressive delivery timeline.



Letter to Lahrador-Island Link Limited Partnership
 17-Oct-2017

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- Recognizing that this work is required in order to operate without the Power House does not mitigate the fact that performing the out of scope work necessary to integrate the shunt reactor into the project at this stage will have a significant impact on Contractor's activities and schedule.
- Please keep in mind that Company never intended for the integration of this equipment to be performed by Contractor, so Contractor has not taken steps to plan or to make allowance to integrate the work within the tight time constraints associated with the delivery of the first phase (pole 1) of the Phased Approach until receiving CH-CD502-003B on 19-Jun-2017, during a highly charged period when Contractor was involved in a focused effort to transport transformers from Bay Bulls to Conwright and then on to Muskrat Falls.
- Prior to receipt of the CH, Contractor was led to believe that it would only be dealing with this equipment on an interface level without performing any actual installation where work nearly a five-month hiatus from the time that the potential to incorporate the shunt reactor into the system was discussed until Contractor received the Change Request.
- During the meeting of 10-May-2017, Company confirmed that they were still working on details related to all aspects of the shunt reactor.
- Referring to CH-003B ver.1 dated 10-Aug-2017, Company indicated that it intended to award another Contractor (ABB) part of the shunt reactor integration work, reducing the additional scope that the original CHIT described as the in-scope scope, and
- Contractor has concerns regarding Company's decision to modify the Change Request scope for such a complex effort that will require considerable interfaces and coordination related to software and commissioning activities.

Based on this new information provided by Company, Contractor is withholding its engineering activities until Company provides a revised Change Request that clearly delineates the scope of work and division of responsibilities between Company's third-party Contractor (ABB) and Contractor.

By distributing the work to different parties Contractor points out the following complications and technical issues that Company is introducing during the installation and integration of the shunt reactor system:

- Receive Company supplied protection panels and install (in anchoring required):
 Contractor's comment:
 To reduce/avoid interference with Contractor's current site activities (such as 125kVdc panels testing, GIS ECC testing, PGC panels testing), ABB must submit their method statement, JHA and obtain authorization from Contractor's site manager at MFA prior to entering the site and beginning their work.
- Complete cable terminations at 2" Company supplied panels (previous scope was limited to running cables to the panel location and leaving them for Contractor to terminate).



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000086

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Letter to Labrador-Island Link Limited Partnership
17 Oct 2017

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Contractor's comment:
In addition to the comment regarding item "a," ABB must use Company's termination schedule that Contractor has not had an opportunity to verify at this point.

c- Supply and install cabling from the Company supplied panels to Contractor panels.

Contractor's comment:
In addition to the above comments, please note that:

- o Engineering of cabling between Company panels and Contractor panels has not been completed yet.
- o Some rework is expected if ABB performs the work before the cable has been installed.
- o Before ABB commences the work, IFC documents must be reviewed by Contractor and approved by Company.
- o Cable terminations within Contractor's panels shall be witnessed by Contractor's representative.
- o Installation reports (point to point check, tagging, etc.) shall be submitted to Contractor prior to beginning static checks.
- o No modifications to Contractor's panels (internal wiring, materials, etc.) shall be performed by ABB without voiding the warranty on the equipment and system.

d- Installation and Termination of LV Power Cables to be in LCP supplied panels.

Contractor's comment:

- o Engineering of distribution circuit modifications for Company's panels has not been completed yet.
- o Rework is likely to occur if this work is performed before the distribution circuit engineering is finalized.
- o Installation reports (point to point check, tagging, etc.) must be submitted to Contractor prior to beginning static checks.
- o No modifications to Contractor's panels (internal wiring, materials, etc.) are to be performed by ABB without voiding the warranty on the equipment and system.

Contractor excludes:

- any liability associated with ABB's work.
- any warranty or guarantee on the work or the potential impacts associated with the work to be performed and implemented by ABB.

Contractor reserves its rights to claim for any impacts associated with the aforesaid work, and to stop work ABB's work integration for any non-compliance or satisfaction reason at Contractor's sole discretion.



Letter to Labrador-Island Link Limited Partnership
17 Oct 2017

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In the event that Company awards part of Change Request CHR-CD0502-0016 rev.01 to a third party and the third party introduces any modifications to Contractor's panels, wiring, or equipment, Contractor will waive any warranty or guarantee on the panels and on the system, unless Contractor formally agrees with the proposed changes (detail of execution through a change order that includes technical support of the site).

If Company decides to allocate any part of the above contract integration Change Request work to a third party, Company is requested to inform Contractor accordingly, in order to re-evaluate the cost and time impacts associated with the revision of the scope.

Please note, per our Contract with Company, Contractor will not perform any work without an agreed and approved Change Order.

This letter is being provided and is made without warranty and with the express reservation of Contractor's rights and remedies, in law or in equity, under applicable contracts or otherwise, including the right to refuse to provide confidential information to Company.

Contractor remains at Company's disposal for any further information.

Yours faithfully,

D. Scott Brantley
Executive Project Director
Encl: N/A



November 6, 2017

Letter CD 502-LTC LILLP-0352 1 of 2



Labrador-Island Link Limited Partnership
 Lower Churchill Project
 320 Tqboy Road Plaza, Suite No. 2
 St. John's, NL
 Canada A1A 4E1

To the attention of M. Follitt

Date: 17-Oct-2017

Q/Ref: LTR-CD0501-AG-LILLP-0352
 Agreement No. CD0501 - Converter Stations and Transition Compoands

Subject: CHR-CD0502-0038 - MFA Shunt Reactor Integration - Impacts on CD0501 Activities

Dear M. Follitt,

Contractor acknowledges receipt of Company's letter referenced above pertaining to the impacts of CD0501 due to the proposed integration of a shunt reactor on CD0502 Project and notifies Contractor that Contractor has stopped all work associated with the Shunt Reactor pending clear direction and a signed Change Order. In order to avoid further delays and interface risks, Company is most strongly advised not to commence the remaining works associated with the Shunt Reactor.

Contractor does not agree with and rejects the assertions in Company's letter for the following reasons:

- The shunt reactor proposed for CD0502 is additional scope not included in Contractor's original Contract scope or in the technical specifications;
- Contractor is responsible for ensuring compliance with specifications and design criteria associated with the delivery of work comprised by its Contract with Company, but not responsible for issues or impact mitigation associated with additional work which was not included in the original Contract scope of work;
- For the Contract, any change shall not constitute a material addition to the type or nature of the original Work as specified in Exhibit 1 - Scope of Work (including any amended parts);
- Company decided to incorporate the shunt reactor into CD0502 at MFA as a means to be able to deliver power through the system generated at Churchill Falls, in order to overcome the lack of an operating Power House from Company's other Contract at Muskrat Falls;
- Although Company may have discussed the addition of a shunt reactor at MFA during multiple meetings with Contractor over a period of more than a year, Company had not issued a Change Request to Contractor for this out of scope work until 19-Jun-2017, and per the Contract, Article 26.2, all changed work requires a signed Change Order, which Contractor still does not have as of this writing;

Additionally, despite Contractor's recommendations during a Steering Committee meeting with Client on 06 November 2016 to incorporate this



Letter to Labrador-Island Link Limited Partnership
 17 Oct 2017

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- equipment into Contractor's scope, the shunt reactor was never included as part of Contractor's Planned Approach scope or schedule.
- In order to deliver the Planned Approach schedule, or as close to it as possible, it is imperative that Contractor prioritizes his in-scope critical activities before anything else, as all of Contractor's staff is fully dedicated to construction and commissioning activities associated with the aggressive delivery timeline.
- Two shunt reactors from CD0501 at SGP and MFA were removed from the Contract due to issues related to the Reactive Power Exchange Limits associated with changes in the AC Interf. LTR-CD0501-LR1P-AG-0112 dated 26-Jun-2015 & LTR-CD0501-LR1P-AG-0113 dated 03-Jul-2015.
- Introduction of the shunt reactor will significantly impact Contractor's activities, since Contractor revised all relevant studies, reports and documents to reflect the reactive power performance requirements without shunt reactors at MFA; therefore, the basis for design of the CD0501 equipment and software was altered to reflect operations within the technical parameters of a system without shunt reactors; and
- The purpose and function of the CD0502 Shunt Reactor is different from the intended purpose of the shunt reactors originally associated with CD0501.

At a minimum, the addition of the shunt reactor at MFA will require Contractor to analyze impacts on compatibility and performance of the HVDC systems, with particular emphasis on software. An example of possible impacts could include but are not limited to:

- Overall system performance
- Loss or availability of the system
- Reactive power exchange conditions
- Harmonic performance
- Protection & Control - with additional IECs and HMI views
- TRV
- Etc.

Contractor will not retract its letter, as requested by Company. Furthermore, Contractor refuses to be held accountable for any delay or costs due to the integration of the CD0502 Shunt Reactor integration and points out that remedies for such impacts available to Company are limited or absent under the Agreement, since this work constitutes an Out of Scope Change.

As stated earlier, Contractor will not perform or execute any additional work without an agreed and approved Change Order.

This letter is being provided and is made without waiving and with the express reservation of Contractor's rights and remedies, in law or in equity, under applicable contracts or otherwise, including the right to refuse to provide confidential information to Company.



November 6, 2017

Letter CD 502-LTC LILLP-0352 2 of 2



Letter to Islander Island Link Limited Partnership

14 Oct 2017

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Contractor remains at Company's disposal for any further information.

Yours Faithfully

D. Scott Egan Jr.
Executive Project Director
Encl: N/A



November 6, 2017

Shunt Reactor

GE Proposal

- If Nalcor desires for GE to perform the work, Nalcor needs to approve the change request.

Agreement

[Redacted]

Nalcor's Reply:

On June 2017, Nalcor issued the CHR-0038 related to the Shunt Reactor Integration

On July & August 2017, GE requested additional information

September 2017, further to GE proposal Nalcor rejected GE proposal and challenged the costs and schedule and blamed GE not optimizing its offer

On October 2017, Nalcor informed GE that one part of the work will be attributed to BBA and will re-issue a CHR with a new scope for GE

On October 2017, GE rejected Nalcor proposal and responded to Nalcor letters where Nalcor was allegating that GE was aware about the installation of Shunt Reactor since September 2016

On 30-Oct-2017, Nalcor issued CHO-0037 despite the disagreement between GE and Nalcor by requesting GE to accelerate the work and proposing a compension a [Redacted] with no EoT



[Redacted]

[Redacted]

November 6, 2017

UNSUITABLE MATERIAL

CHR-CD0501001-2045
CHR-CD0501001-2036 Rev 1



November 6, 2017

Subbase Unsuitable Material- CHRs 2045/2036

Issue & Applicable Contract Provisions

- GE scope of work included the backfill using the on site excavated material.
- In March 2015, GE performed its own Geotechnical survey that clearly defined the allowable fine content percentage of 12% for the backfilling material.
- Nalcor spec ILK-SN-CD-8000-CV-SP-0001-01 article 3.1 stated that if there is any variation between GE soil investigation survey results and the baseline data, GE shall submit a change request.
- GE performed a sieve analysis and proctor tests with subbase material taken from the MFA DC and AC yards with results showing large amounts of fines which were nonconforming to the Geotechnical report.
- The sieve analysis reports showed the fine content of 20% or greater.
- GE had to remove the softened common fill and import conforming granular material for backfilling.
- GE is entitled to recover all costs incurred to address this issue and an adjustment to the schedule to account for the impacts to the schedule.

Applicable Contract Provisions

- The common fill material available on site that should be used for backfilling above and around foundations did not meet the requirement of the geotechnical report
- Nalcor spec ILK-SN-CD-8000-CV-SP-0001-01 article 3.1 stated that any variation between GE soil investigation survey results and the baseline data, GE shall submit a change request.
- Stantec geotechnical report RPT-121617804.300-MFA-02_Rev_0 Section 5.1 "Site Preparation" result and recommendation for fine content.



November 6, 2017

Subbase Unsuitable Material



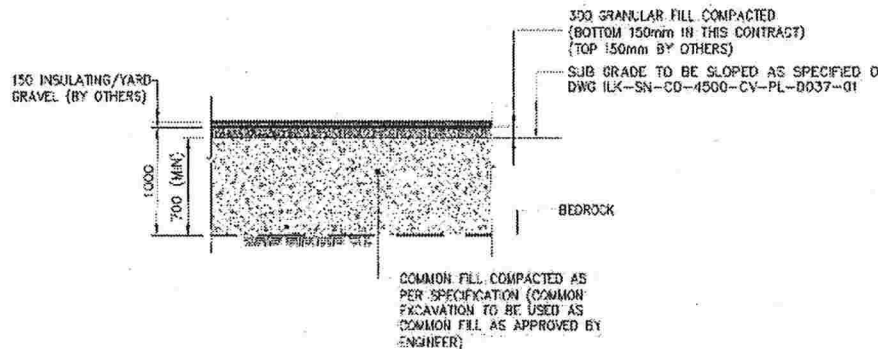
- The photo shows the unsuitable common fill material stockpile on MFA site
- The unsuitable material removal from site is not included in GE change requests.



November 6, 2017

Subbase Unsuitable Material

DESIGNED T. VILLARAZA	APPROVED (Responsible and Engineer) AMY	PROJECT LOWER CHURCHILL PROJECT	
DRAWN M. MOHID/MT. GAMMARE SEBERDI	APPROVED (Engineering Manager) AMY	TITLE SOLDIERS POND 230 KV SP SUBSTATION SUBSTATION EARTHWORKS #2 SECTIONS AND DETAILS	
CHECKED T. VILLARAZA	SCALE NTS	DATE 24-JAN-2012	
2D DOC No. 505573 4500-41DD-2061_08		I/E DOC No. ILK-SN-CD-4500-CV-PL-0008-01	Rev. C3



- Subbase common fill to be used as backfilling material as approved by Nalcor Engineer

3 FOUNDATIONS AND CONCRETE WORKS

The geotechnical reports provided in Exhibit 1 Attachment 4 contain the available information for this project. The Sites shall be constructed considering the recommendations provided in the geotechnical reports. Actual Site conditions may vary and Contractor's design shall allow for these variances.

Contractor shall conduct its own soil investigation survey. The Civil Works design shall be based on the results of the Contractor's soil investigation survey. In the event of any variation between the Contractor's soil investigation survey results and the baseline data in the Agreement (as defined in section 11), the Contractor shall submit a Change Request.

GEOTECHNICAL AND OTHER FIELD INVESTIGATIONS

GEOTECHNICAL REPORT

MUSKRAT FALLS 315kVAC-350kVDC CONVERTER STATION

Stantec Document No: RPT-121617804.300-MFA-02
Rev. 0

March 4, 2015

5.1 Site Preparation

In preparation for footing construction underlain by Sands only, it is recommended that excavated soil areas be proof rolled prior to setting of foundation forms or placement of structural fill. Any softened or disturbed areas evident upon proof rolling should be excavated and replaced with suitably compacted structural fill.

It should be noted that the sands on site are fine-grained and have varying amounts of silt content. Typically, where the fines content of a soil is in excess of 12%, the soil will tend to soften and become unsuitable and difficult to work when it becomes wetter than its optimum moisture content and is disturbed. In addition, silty soils that have been successfully compacted and approved may require removal if they subsequently become wet and softened from water infiltration, precipitation, or thawing after freezing.

Any variation between GE soil investigation and the baseline data will constitute a change

When fine content exceeds 12%, it has to be replaced by suitably compacted structural fill



Subbase Unsuitable Material

GRADATION ANALYSIS AND PROCTOR Oct 2016

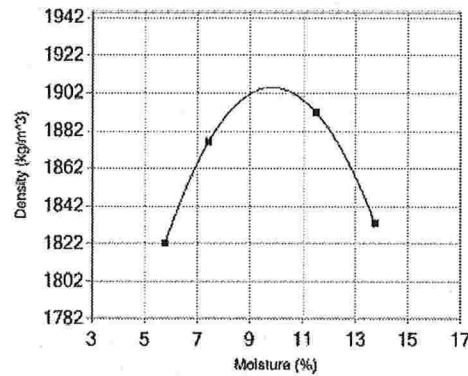
COMMON FILL SAMPLE 2

Type of Specification: No project specification was provided.

Sieve Analysis: (ASTM C117-13/C136-14)

200 Wash Procedure: A

Coarse Portion:		Sieve Size	Passing	Min	Max
		75mm	100%		
		50mm	98%		
		37.5mm	98%		
		25mm	97%		
		19.0mm	96%		
Fine Portion:		Sieve Size	Passing	Min	Max
		16.0mm	96%		
		12.5mm	96%		
		9.5mm	95%		
		6.3mm	95%		
		4.75mm	94%		
		2.00mm	92%		
		1.18mm	90%		
		600µm	81%		
		300µm	66%		
		150µm	42%		
		75µm	22%		



Soil Classification (ASTM D2487-11)

Correction Soil Containing Oversize Particles (ASTM D4718-15)
 Moisture Density Relationship: (ASTM D698-12) Method: C
 Preparation Method: Dry Rammer Type: Manual
 Rock Corrected Maximum Density (kg/m³): 1905.0
 Rock Corrected Optimum Moisture (%): 9.8

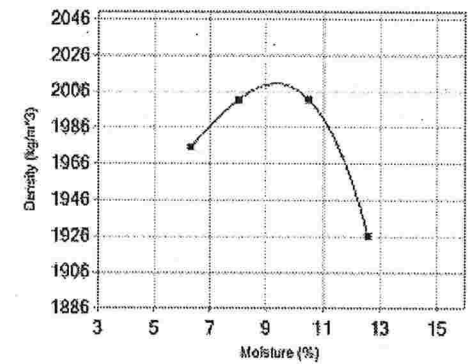
COMMON FILL SAMPLE 3

Type of Specification: No project specification was provided.

Sieve Analysis: (ASTM C117-13/C136-14)

200 Wash Procedure: A

Coarse Portion:		Sieve Size	Passing	Min	Max
		100mm	100%		
		75mm	97%		
		50mm	97%		
		37.5mm	96%		
		25mm	94%		
		19.0mm	93%		
Fine Portion:		Sieve Size	Passing	Min	Max
		16.0mm	93%		
		12.5mm	92%		
		9.5mm	92%		
		6.3mm	91%		
		4.75mm	90%		
		2.00mm	88%		
		1.18mm	80%		
		600µm	78%		
		300µm	63%		
		150µm	46%		
		75µm	30%		



Soil Classification (ASTM D2487-11)

Correction Soil Containing Oversize Particles (ASTM D4718-15)
 Moisture Density Relationship: (ASTM D698-12) Method: C
 Preparation Method: Dry Rammer Type: Manual
 Rock Corrected Maximum Density (kg/m³): 2010.0
 Rock Corrected Optimum Moisture (%): 9.3

Sieve analysis and proctor test results showing fine content of 20% or greater, exceeding the allowed 12%



Subbase Unsuitable Material

Sieve Analysis

**Lower Churchill Converters and Transition
Compounds Project
Muskrat Falls Site**

CLG504-005

BRA COMPLIANCE VERIFICATION

SCOPE OF VERIFICATION:
 DESIGN
 MATERIAL
 CONSTRUCTION
 OTHER: _____

PROJECT NO: _____
 AS REFERRED TO CONTRACTOR'S ON THE DOCUMENT

BY: _____
 YES
 NO


REASON FOR FAILURE:
 1. FAILURE TO COMPLY WITH REQUIREMENTS
 2. FAILURE TO PROVIDE NECESSARY INFORMATION
 3. FAILURE TO PROVIDE NECESSARY DOCUMENTATION
 4. FAILURE TO PROVIDE NECESSARY MATERIALS
 5. FAILURE TO PROVIDE NECESSARY SERVICES
 6. FAILURE TO PROVIDE NECESSARY EQUIPMENT

DATE: 2016-10-11
 SIGNATURE: [Signature]
 TITLE: 0811B

THIS VERIFICATION IS SUBJECT TO THE SAME LIMITATIONS AND CONDITIONS AS THE ORIGINAL VERIFICATION. IT DOES NOT IN ANY WAY CONSTITUTE A WARRANTY OR GUARANTEE BY COMPANY OR ITS SUBSIDIARIES.
 CLO (04-005-FRM-110-001) D1

COMMON FILL SIEVE ANALYSIS & PROCTOR (AC YARD)

See comments on page 2




PREPARED	03-Oct-2016	Stephanie Peum	[Signature]
VERIFIED	03-Oct-2016	Stephanie Peum	[Signature]
APPROVED	03-Oct-2016	Neil Payne	[Signature]
DATE	NAME	SIGNATURE	

Contractor Document Number	CLG504-005-FRM-110-011	Contractor Revision	01
Sub-contractor Document Number		Sub-Contractor Revision	
PAGE	1	TOTAL PGS	4

THIS document is the exclusive property of General Electric Company and shall not be used outside of the project.

CLG504-005-FRM-110-005, Rev 01, Document 720



SCHEDULE OF MODIFICATIONS

Contractor Revision	Sub-Contractor Revision	Date	Modification Contents	Page / Section	Amended By
01	01	03-Oct-2016	Original issue		SH

Excavated material contains a high percentage of fines and may be subject to freezing and difficult compaction. The excavated material cannot be used as common fill without the consent and recommendations from the Geotechnician.



Subbase Unsuitable Material

Sieve Analysis

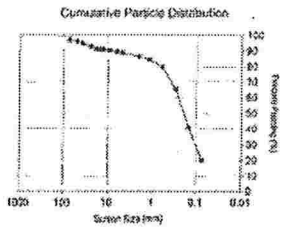
Sieve Analysis

Report Date: September 26, 2016

Client:
 Name: Parsons Heavy Civil LLC
 Address: 1701 Tenth Street P.O. Box 8774 St. John's, N.J.
 878 214
 Attention: James Hark
 PO Number: 03824
 Sample Date: 02/20/16 to Mixed Fabric
 Source: Site Excavated Material

Project:
 Name: CIP 15000313 Subbase Fabric Concrete Slab
 Address: Muskrat Park Rd.
 Phase: Task
 Manager: Matthew Hasky
 Lab Ref #: 7154
 Description: Concrete P1 - AC Yield

Type of Specification: No previous specifications were provided



Sieve Analysis (ASTM C136-12) (SI)

Course	Sieve Size	Passing	Min	Max
CONCRETE	75mm	100%	100%	100%
	10mm	100%	100%	100%
	37.5mm	95%	95%	95%
	25mm	85%	85%	85%
	19mm	81%	81%	81%
FINE AGGREGATE	16mm	81%	81%	81%
	12.5mm	61%	61%	61%
	9.5mm	40%	40%	40%
	8.0mm	30%	30%	30%
	4.75mm	10%	10%	10%
	2.0mm	8%	8%	8%
	1.18mm	8%	8%	8%
	0.85mm	8%	8%	8%
	0.6mm	4%	4%	4%
	0.425mm	0%	0%	0%

Remarks:
 Date/Time: 09/26/16
 Reviewed By: Dawn O'Keefe

Dawn O'Keefe

Ames Foster Wheeler Environment & Infrastructure - 35 Perry Place - St. John's, N.J. - A15 314 Canada
 phone: 732-722-6262

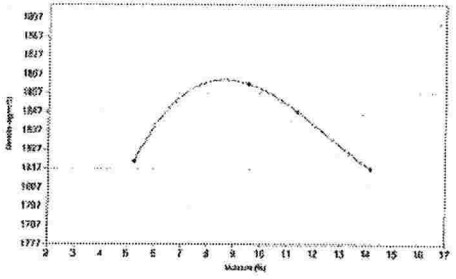
I hereby certify that the test results reported herein were obtained by the use of the methods and procedures specified in the test methods and specifications cited and that the test results reported herein are true and correct.

Moisture / Density Relationship

Report Date: September 22, 2016 Annual Date: September 26, 2016

Client:
 Name: Parsons Heavy Civil LLC
 Address: 1701 Tenth Street P.O. Box 8774 St. John's, N.J.
 878 214
 Attention: James Hark
 PO Number: 03824
 Sample Date: 02/20/16 by Mixed Fabric
 Source: Site Excavated Material

Project:
 Name: CIP 15000313 Subbase Fabric Concrete Slab
 Address: Muskrat Park Rd.
 Phase: Task
 Manager: Matthew Harky
 Lab Ref #: 7154
 Description: Concrete P1 - AC Yield

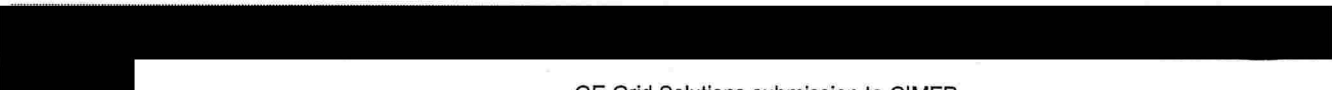


Correction Ball Containing Oversize Particles (ASTM D4716-15)
 Moisture Density Relationship (ASTM D698-12) Method: C
 Preparation Method: Dry Hammer Type: Manual
 Rock Content: Maximum Density (kg/m³): 1844
 RUC: Corrected (Optimum Moisture (%): 8.5

Remarks:
 Modified by: Anthony Valera, Karel Bui, Brad Payne, Eric Sledge, Megan Lewis, PM Gibson, Stephanie Brown, PHD, Charles Klutzbart, Dawn Hark, Matthew Hasky, Michael Lynch

Dawn O'Keefe

Ames Foster Wheeler Environment & Infrastructure - 35 Perry Place - St. John's, N.J. - A15 314 Canada
 phone: 732-722-6262



MFA - Backfill and Compaction Works (soil)

		Duration	Duration	Complete		(June 2015)	(June 2016)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Total		350	350	0%	19-Aug-2015 A	27-Aug-2016	20-Jul-2015	29-Mar-2016													
PAC K A G E 1 & 2 (Pomerleau - MUSKRAT FALLS HVDC & 315kV AC SWITCH YAI)		350	350	0%	19-Aug-2015 A	27-Aug-2016	20-Jul-2015	29-Mar-2016													
CONSTRUCTION WORK		331	331	0%	19-Aug-2015 A	27-Aug-2016	20-Jul-2015	29-Mar-2016													
Mobilization		216	0%	0%	18-Oct-2015 A	12-Jun-2016 A	25-Jul-2015	29-Mar-2016													
BUILDING		331	100%	0%	19-Aug-2015 A	27-Aug-2016	21-Jul-2015	21-Mar-2016													
CIVIL WORKS OUTSIDE THE BUILDINGS		344	316	0%	26-Aug-2015 A	25-Aug-2016	20-Jul-2015	29-Mar-2016													
Civil works for Converter Transformer & Oil Spill Containment		303	316	0%	06-Oct-2015 A	25-Aug-2016	21-Jul-2015	29-Mar-2016													
MF.1.S - Civil Works AC Substation		334	26	0%	26-Aug-2015 A	18-Aug-2016	20-Jul-2015	21-Nov-2015													
Civil Works for 315-138 kV Switchyard Equipment		310	0%	0%	19-Sep-2015 A	15-Dec-2016	23-Sep-2015	21-Nov-2015													
Civil for 315-138 kV Switchyard Equipment completed 100% in 2015		35	0%	0%	19-Sep-2015 A	15-Dec-2016	23-Sep-2015	21-Nov-2015													
Backfill		26	0%	0%	19-Sep-2015 A	12-Oct-2016 A	23-Sep-2015	21-Nov-2015													
574	MF.1.S.40.6 - Backfilling & Compaction	24	0%	100%	19-Sep-2015 A	12-Oct-2016 A	23-Sep-2015	21-Nov-2015													
563	MF.1.S.36.6 - Backfilling & Compaction	46	0%	100%	19-Sep-2015 A	01-Nov-2015 A	23-Sep-2015	21-Nov-2015													
566	MF.1.S.34.6 - Backfilling & Compaction	22	0%	100%	19-Sep-2015 A	10-Oct-2015 A	23-Sep-2015	21-Nov-2015													
575	MF.1.S.40.1.6 - Backfilling & Compaction	25	0%	100%	12-Oct-2015 A	09-Dec-2015 A	23-Sep-2015	21-Nov-2015													
570	MF.1.S.37.6 - Backfilling & Compaction	18	0%	100%	02-Nov-2015 A	02-Nov-2015 A	23-Sep-2015	21-Nov-2015													
569	MF.1.S.36.1.6 - Backfilling & Compaction (2015 - Prior to ground frost)	41	0%	100%	05-Nov-2015 A	18-Dec-2015 A	23-Sep-2015	21-Nov-2015													
567	MF.1.S.34.1.6 - Backfilling & Compaction	34	0%	100%	05-Nov-2015 A	08-Dec-2015 A	23-Sep-2015	21-Nov-2015													
571	MF.1.S.37.1.6 - Backfilling & Compaction	9	0%	100%	04-Dec-2015 A	12-Dec-2015 A	23-Sep-2015	21-Nov-2015													
Backfill		65	0%	0%	12-Jun-2016 A	15-Aug-2016	23-Sep-2015	21-Nov-2015													
56A1	MF.1.S.36.1.6 - Backfilling & Compaction (2016 - After ground thaw)	28	0%	0%	12-Jun-2016 A	03-Jul-2016 A															
A1770	MF.1.S.37.1.6 - Backfilling & Compaction	36	0%	0%	15-Jun-2016 A	17-Jun-2016 A															
572	MF.1.S.38.6 - Backfilling & Compaction	26	0%	100%	08-Aug-2016	09-Aug-2016	23-Sep-2015	21-Nov-2015													
576	MF.1.S.42.6 - Backfilling & Compaction	22	0%	100%	10-Aug-2016	11-Aug-2016	23-Sep-2015	21-Nov-2015													
573	MF.1.S.39.6 - Backfilling & Compaction	46	0%	100%	12-Aug-2016	15-Aug-2016	23-Sep-2015	21-Nov-2015													
Civil Works for LCP Transformer & Spill Containment		303	0%	0%	26-Aug-2015 A	17-Jul-2016 A	20-Jul-2015	14-Nov-2015													
UNDERGROUND SERVICE AND SITE DEVELOPMENT		21	230	0%	05-Jun-2016 A	23-Aug-2016	09-Oct-2015	04-Nov-2015													
Finishing the earthworks control building and valve 1-2		20	0%	0%	05-Jun-2016 A	24-Jun-2016 A															
A1220	MF.1.C.3.1 - Backfill-Structure Granular A & compaction	20	0%	0%	05-Jun-2016 A	24-Jun-2016 A															
Miscellaneous Civil Works		0	0%	0%	21-Jun-2016 A	21-Jun-2016 A	09-Oct-2015	31-Oct-2015													
657	MF.1.S.69 - Backfill & Compaction for Potable Water Piping w/Granular A & B	0	0%	100%	21-Jun-2016 A	21-Jun-2016 A	25-Oct-2015	31-Oct-2015													
654	MF.1.S.65 - Backfill & Compaction for Sanitary Piping w/Granular A & B	0	0%	100%	21-Jun-2016 A	21-Jun-2016 A	09-Oct-2015	14-Oct-2015													
General Site Work		77	82%	0%	09-Jun-2016 A	24-Aug-2016	12-Oct-2015	04-Nov-2015													
61	MF.1.G.1 - Leveling & backfilling to reach the required level using sorted excavated material (out and in)	56	100%	100%	09-Jun-2016 A	02-Aug-2016	12-Oct-2015	23-Oct-2015													
63	MF.1.G.3 - Leveling & backfilling to reach the required level using imported fill material	46	14%	100%	11-Aug-2016	24-Aug-2016	31-Oct-2015	04-Nov-2015													

Backfill using imported fill material



November 6, 2017

Subbase Unsuitable Material

Status & Impact

- Softened soil encountered from 11-Apr-2017 to 11-Jun-2017 at the AC Yard for which Contractor's subcontractor had to remove and replace with structural fill.
- The work was performed 2Q and 3Q 2017
- GE issued two change requests:
 - (1) [REDACTED] CAD issued on 7-August-2017
 - (2) [REDACTED] CAD issued on 2-Aug-2017.



[REDACTED]

November 6, 2017

Subbase Unsuitable Material

Relevant Dates

- August 2, 2017 – GE issued a change request
- August 7, 2017 – GE issued a change request with supporting documentation
- August 11, 2017 – Reply from Nalcor rejecting change request indicating the material is acceptable for backfill



CHR-CD0501001-0045 - Aug 7, 2017

Pages 1,2

LOWER CHURCHILL PROJECT	CHANGE REQUEST		
Agreement No:	CD0501-001	CHR No. (reference):	CHR-CD0501001-2045
Agreement Title:	Supply and install Converter Stations and Transmission Components	Rev. No:	01
Company:	INLP	CRD No.:	
Contractor/Supplier:	Grid Solutions Canada CD0501 - MFA - Import of conforming material for MMS	Date:	07-Aug-2017
Title:	Backfill	Account No.:	
		DRN No.:	N/A
Description of Change Request and Reason (attach all supporting information):			
Scope of Work Change:			
<p>During excavation works through the civil work packages, Contractor performed sieve analysis and proctor tests on common fill samples taken from the existing DC and AC Yards foot print in MFA. The results showed large amount of fines so the material that rendered is not conforming the specifications and unsuitable for backfill (see attached sieve analysis). The nature of the material also made backfilling and compaction of the material difficult.</p>			
Contract Price Change and Terms of Payment:			
This Change Request totals an increase of: \$3,783,293.42 to the Contract Price. (See attachment 1)			
This change request is proposed as a lump sum. Item prices cannot be analysed individually.			
Supporting information that forms part of this Change Request:			
<ul style="list-style-type: none"> - Attachment 1 - Price Breakdown - Attachment 2 - CHR-CGL504005-2028 - Attachment 3 - Material Requisition form for 4" minus rock - Attachment 4 - Sieve Analysis for common fill excavated in AC and DC Yard 			
Description of Impact on Critical Schedule:			
This Change Request includes only direct cost impacts. The schedule impact will be subject to a separate Change Request and will be submitted at a later date.			
Revised Finish Date:			
TBD			
CREATOR	COMPANY	CONTRACTOR/SUPPLIER	
Requested by:	Name	Signature	Date
	Keshu Kumbhar	<i>[Signature]</i>	07-Aug-2017

LOP #1-MQ-0000-02-FP-0003-01 Rev 00

Page 1 of 3

LOWER CHURCHILL PROJECT	CHANGE REQUEST		
Agreement No:	CD0501-001	CHR No. (reference):	CHR-CD0501001-2045
Agreement Title:	Supply and install Converter Stations and Transmission Components	Rev. No:	01
Company:	INLP	CRD No.:	
Contractor/Supplier:	Grid Solutions Canada CD0501 - MFA - Import of conforming material for mms	Date:	07-Aug-2017
Title:	Backfill	Account No.:	
		DRN No.:	N/A
Contract Manager:	<i>[Signature]</i>	<i>[Signature]</i>	07-Aug-2017
Project Finance Controller:	<i>[Signature]</i>	<i>[Signature]</i>	08-Aug-2017
CHILL Project Manager:	<i>[Signature]</i>	<i>[Signature]</i>	07-Aug-2017
TEP Project Director:	<i>[Signature]</i>	<i>[Signature]</i>	07-Aug-2017
Received by:	Name	Signature	Date

LOP #1-MQ-0000-02-FP-0003-01 Rev 00

Page 2 of 3



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000101

CHR-CD0501001-0045 – Aug 7, 2017

Pages 3

LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Attachment 1 – Price Breakdown

Item	Description	UOM	Total Qty	Unit Price (CAD)	Extended Price (CAD)
CD 0501 – SGP & NVA – Masby Granule Test Lane					
1	Project Engineering	Hour	20		
1.1	Site Manager	Hour	20		
1.2	Superintendent	Hour	80		
1.3	Chief Engineer (Office)	Hour	20		
1.4	Quality Surveyor	Hour	30		
1.5	Contract Manager	Hour	10		
1.6	QA/QC	Hour	80		
1.7	Field Engineer	Hour	40		
2	4" mpa material tests	Test	1		
2.1	Subcontractor price	Test	1		
3	Subcontractor subject fees	%	15		
3.1	Contractor markup	%	20		
3.2	Mark on (IDN)	%	20		
Value of Change Request					



November 6, 2017

GE Grid Solutions submission to CIMFP

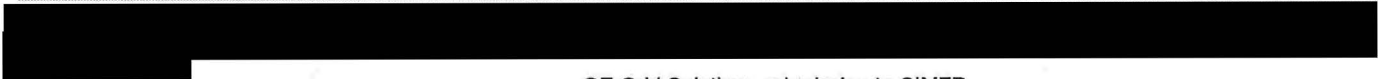
GE_Muskra0000102

CHR-CD0501001-0036 Rev 1 – Sep 28, 2017

Pages 1,2

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0501-001	CHR No. (Reference): CHR-CD0501001-0036
Agreement Title:	Supply and Install Converter Stations and Transition	Rev. No.: 1
Company:	LIJF	CHG No.:
Contractor/Supplier:	Grid Solutions Canada	Date:
Title:	CD0501 - AC Yard Foundation Works - Encountered Unsuitable Material (Softened Soil) Replacement from 11-Apr-2017 to 11-Jun-2017 at SOP	Access No.:
		DAN No.:
Description of Change Request and Reason (attach all supporting information):		
Scope of Work Change:		
Contractor encountered softened/disturbed soil upon proof rolling of the bottom of the excavation, in preparation for foundation works at CD0501 AC Yard. This Change Request covers the softened soil encountered from 11-Apr-2017 to 11-Jun-2017 for which Contractor's subcontractor had to remove and replace with structural fill as per Contractor's Geotechnical Engineer's (Starvec) recommendation.		
Contract Price Change and Terms of Payment:		
This Change Request totals an increase of [REDACTED] Contract Price (see attachment 1).		
This change request is proposed as a lump sum. Item prices cannot be analyzed individually.		
Supporting information that forms part of this Change Request:		
<ul style="list-style-type: none"> - Attachment 1 - Price Breakdown - Inspection Reports from 11-Apr-2017 to 26-Jun-2017 - Timesheets 		
Description of Impact on Critical Schedule and Revised Finish Date:		
This change request seeks only the direct costs associated with the subject matter hereof (with appropriate standard mark-ups). Contractor specifically reserves its rights as to any extension of time and/or compensation for extended performance, disruption to the work or cumulative impact caused by or related to this change in the work to which it may be entitled under the contract documents.		
ORIGINATOR:	COMPANY:	CONTRACTOR/SUPPLIER:
Title	Name	Signature
Prepared by:	Kamal Khatib	[Signature]
Contract Manager:	Heera Arya	[Signature]
Project Finance Controller:	Honey Langlois	[Signature]
CD0501 Project Manager:	Duy Devillers	[Signature]
		Date
		21-Sep-2017
		28-Sep-2017
		28-Sep-2017
		07-Oct-2017

LOWER CHURCHILL PROJECT	CHANGE REQUEST	
Agreement No:	CD0501-001	CHR No. (Reference): CHR-CD0501001-0036
Agreement Title:	Supply and Install Converter Stations and Transition	Rev. No.: 1
Company:	LIJF	CHG No.:
Contractor/Supplier:	Grid Solutions Canada	Date:
Title:	CD0501 - AC Yard Foundation Works - Encountered Unsuitable Material (Softened Soil) Replacement from 11-Apr-2017 to 11-Jun-2017	Access No.:
		DAN No.:
LCP Project Director		
Received by:		
Title	Name	Signature
		Date



November 6, 2017

CHR-CD0502001-0023 - Aug 4, 2017

Page 1, 2

LOWER CHURCHILL PROJECT	CHANGE REQUEST																																																								
Agreement No:	CD0502-001	CHR No. Reference:	BY-CHR-CD0502001-0023																																																						
Agreement Title:	Construction of ac Substations	Rev. No:	0																																																						
Company:	LTC and LILP	CRD No.:																																																							
Contractor/Supplier:	GRID Solutions Canada	Date:	4 Aug 2017																																																						
Title:	CPE - P&C Mods in Existing CPE/Co Building	Access No.:	CHR-CD0502001-0023																																																						
		SNR No.:	N/A																																																						
Description of Change Request and Reason (attach all supporting information):																																																									
<p>Scope of Work Change: Company removed the installation works requirement of Contractor for Protection and Control (P&C) modifications required inside the existing CPE/Co relay building.</p> <p>Therefore, Contractor removes from his scope the termination of 152 cores. Assuming that each termination takes 15 minutes, Contractor will save 38 hours.</p> <p>Contract Price Change and Terms of Payment: This Change Request totals a decrease of [REDACTED] the Contract Price.</p> <p>This change request is proposed as a lump sum, from prices cannot be analysed individually.</p> <p>Supporting information that forms part of this Change Request: Attachment 1 - Price Breakdown Attachment 2 - CHR-CD0502001-0023 - P&C Mods in Existing CPE/Co Building</p> <p>Description of impact on Contract Schedule: No impact.</p> <p>Revised Finish Date: N/A</p>																																																									
<table border="1"> <thead> <tr> <th colspan="2">DISSEMINATOR</th> <th colspan="2">COMPANY</th> <th colspan="2">CONTRACTOR/SUPPLIER</th> </tr> <tr> <th>Title</th> <th>Name</th> <th>Signature</th> <th>Date</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Prepared by</td> <td>David Evans</td> <td>[Signature]</td> <td>4-8-2017</td> <td></td> <td></td> </tr> <tr> <td>Contract Manager</td> <td>Keris Auld</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Project Finance Controller</td> <td>Ramona Langlois</td> <td>[Signature]</td> <td>4 Aug 2017</td> <td></td> <td></td> </tr> <tr> <td>CR0502 Project Manager</td> <td>Stanislav Bous</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>LCP Program Director</td> <td>Scott Blomert</td> <td>[Signature]</td> <td>28 Aug 2017</td> <td></td> <td></td> </tr> <tr> <td>Reviewed by</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Title</td> <td>Name</td> <td>Signature</td> <td>Date</td> <td></td> <td></td> </tr> </tbody> </table>				DISSEMINATOR		COMPANY		CONTRACTOR/SUPPLIER		Title	Name	Signature	Date			Prepared by	David Evans	[Signature]	4-8-2017			Contract Manager	Keris Auld					Project Finance Controller	Ramona Langlois	[Signature]	4 Aug 2017			CR0502 Project Manager	Stanislav Bous					LCP Program Director	Scott Blomert	[Signature]	28 Aug 2017			Reviewed by						Title	Name	Signature	Date		
DISSEMINATOR		COMPANY		CONTRACTOR/SUPPLIER																																																					
Title	Name	Signature	Date																																																						
Prepared by	David Evans	[Signature]	4-8-2017																																																						
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Project Finance Controller	Ramona Langlois	[Signature]	4 Aug 2017																																																						
CR0502 Project Manager	Stanislav Bous																																																								
LCP Program Director	Scott Blomert	[Signature]	28 Aug 2017																																																						
Reviewed by																																																									
Title	Name	Signature	Date																																																						

LCP-47-40-2006-14-FR-0001-01, Rev 4/9

Page 1 of 2

LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Attachment 1 - Price Breakdown

CHR-0023 - P&C Mods in Existing CPE/Co Building					
Items	Description	UOM	Total Qty	Unit Price (CAD)	Extended Price (CAD)
1	Reserved Scope	Hour			
1.1	152 terminations - Inst. Working Foreman	Hour	2		
1.2	152 terminations - Tech Support	Hour	36		
Value of this Change Request					

LCP-47-40-2006-14-FR-0001-01, Rev 4/9

Page 2 of 2



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskat_0000104

CHR-CD0501001-0036 Rev 1 – Sep 28, 2017

Pages 3

LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Attachment 1 – Price Breakdown

CHR-2036 Price Breakdown					
Item	Description	UOM	Total Qty	Unit Price (CAD)	Extended Price (CAD)
1	Contractor Cost				
1.1	Contractor Staff	LS	3		
2	Subcontractor Cost				
2.1	Labour	LS	3		
2.2	Overhead	LS	3		
2.3	Material	LS	3		
	Total				

Details are attached as "Attachment 2"



November 6, 2017

GE Grid Solutions submission to CIMFP

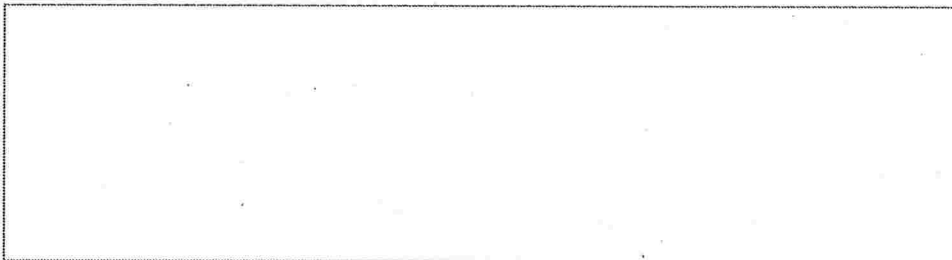
GE_Muskat_0000105

Subbase Unsuitable Material

GE Proposal

- Nalcor to approve and pay for the change request.
- Nalcor to advise on how to proceed with the removal of the unsuitable material from the site

Agreement



Nalcor's Reply

On April 2017, GE notified Nalcor that unsuitable material was encountered. Nalcor requested additional information such as geotechnical survey

June 2017, at MFA and SoP, further to GE CHR and notification, Nalcor rejected GE proposal by arguing that it was due to winter conditions and due to our delays.

On July & August 2017; Nalcor rejected GE statement by arguing that it was purely allegation from GE.

On September 2017, during Open Issues Meetings, Nalcor maintained its position by alleging that it was due to GE despite the fact that GE provided all the sieves analysis and backup



Accommodations

CHR-CD0501001-2030 Rev. 1

CHR-CD0501001-2027 Rev. 1



November 6, 2017

Accommodations – CHRs 2039/2027

Issue & Applicable Contract Provisions

- Nalcor did not have enough availability of rooms for GE subcontractors at the MFA camp per the contract, therefore, GE had to use off-site accommodations between Feb 2, 2017 through Aug 31, 2017.
- GE is entitled to recover all costs incurred in providing accommodations at MFA and an adjustment to the schedule to account for the impacts to the schedule.

Applicable Contract Provisions

- Contract Exhibit 12, Sections 5.1 states: Customer to provide accommodations at MFA.

5.1 Accommodations

An accommodation complex will be made available to Contractor at the Muskrat Falls Site. The accommodation complex is located approximately ten (10) km from Muskrat Falls. Company will provide room and board free of charge at the accommodation complex for the use by Contractor's staff and its Personnel, as approved by Engineer.

The number of employees eligible for lodging services is limited to the resources indicated in the Agreement. Contractor must submit to Engineer at least thirty (30) days in advance, all reasons for any forecasted increases in manpower. Engineer does not undertake to accept such requests; however, Engineer may, at its sole discretion and subject to availability, approve these forecasted increases in manpower.



November 6, 2017

Accommodations 501

Relevant Dates

- September 9, 2016 – GE’s letter to Nalcor indicating that we were informed that the camp facilities provided by Company are at near or at full capacity.
- October 4, 2016 – GE’s letter to Nalcor indicated that company has not taken actions to ensure room availability per the contractual provisions of the agreement.
- October 6, 2016 – Letter from Nalcor in reply to GE letter on Oct 4, 2017. Nalcor indicated: “As for Contractor’s staff, Company agrees to pay for reasonable costs incurred by Contractor for staff required to live off Site at Muskrat Falls until such time rooms become available at the MF camp”.
- June 30, 2017 – Letter from Nalcor indicated that the expansion of the accommodations at MFA was complete and that Contractor’s personnel could start transitioning starting August 15, 2017. Nalcor stated that they would not reimburse Contractor for any costs related to personnel living offsite after September 1, 2017.
- July 16, 2017 – Letter from GE requested additional information, number of rooms and compliance with the contract.
- July 24, 2017 – Letter from Nalcor indicated that the expansion was for 464 rooms/beds adjacent to the existing complex. Company agreed to support all reasonable and additional substantiated costs due to non availability of rooms at MFA from Feb 2, 2017 to Sept 1, 2017.
- August 29, 2017 – GE issued change request Rev 1



November 6, 2017

LTR-CD0501-LILLP-AG-0320 – Oct 6, 16 - Pages 1,2



Energy Management Corporation
180 Water Road, Suite 2
Toronto, ON Canada M5S 1A1

LTR-CD0501-LILLP-AG-0320
LTR-CD0502-LILLP-AG-0288

5-Oct-2016

Mr. Scott Bianchi
Executive Project Director
CIMO SOLUTIONS CANADA ULIC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2Z5

Subject: Muskrat Falls Accommodations – Company Response
Re: LTR-CD0502-AG-LILLP-0239 / LTR-CD0501-AG-LILLP-0237 dated 4-Oct-2016
LTR-CD0501-LILLP-AG-0316 / LTR-CD0501-LILLP-AG-0216 dated 23-Sep-2016
LTR-CD0501-AG-LILLP-0231 / LTR-CD0501-AG-LILLP-0279 dated 9-Sep-2016
LTR-CD0502-AG-LILLP-0233 / LTR-CD0501-AG-LILLP-0230 dated 9-Sep-2016

Dear Mr. Bianchi,

Company provides the following response to Contractor's most recent letter regarding the Muskrat Falls (MF) Accommodations (LTR-CD0502-AG-LILLP-0239 / LTR-CD0501-AG-LILLP-0237) dated 4-Oct-2016.

1. If Contractor had maintained its labour forecast as per its original baseline schedule then Contractor would have not been impacted by, or contributed to, the capacity issues currently experienced by Company at MF.
2. Company has the contractual right to pursuant to Article 58.2 for CD0502 and 39.2 for CD0501 to unilaterally change Exhibit 12. Therefore, any formal correspondence related to the Accommodations Complex at MF should be considered a change to Exhibit 12 instead of being ignored by Contractor.
3. Contractor continues to use the word "room availability" when referring to the MF Accommodations. As Contractor is aware, but fails to mention in its letter, no other labour (union labour) has been denied accommodations at the MF camp when proper protocols and procedures are followed. Additionally, Company is aware through meetings directly with Contractor and its Subcontractors that mobilization of Contractor's Subcontractors has not been impacted by the recent limited room availability at the MF camp.
4. As per Company letter (LTR-CD0502-LILLP-AG-0352 / LTR-CD0501-LILLP-AG-0265) dated 20-May-2016 Company notified Contractor "...to diligently plan reservations well in advance (minimum 7 days) to increase Contractor's probability of staying in the Accommodation

a Nalcor Energy company

Complex at Muskrat Falls". Costs incurred for Contractor's failure to comply with Company's recommendation or provide this information to Contractor's Subcontractors is solely the responsibility of Contractor. As Contractor notes in its letter, this requirement to provide a seven day advance notification was not previously enforced. When accommodation availability was higher, Company accepted to relax this requirement to help contractors who where late informing Company of personnel mobilization. Now that availability is low, this requirement is needed to adequately plan ahead accommodation allocation to help meet Contractor's needs.

5. Company takes full exception to Contractor's statement that "Company has not taken any noticeable steps to ensure room availability per the contractual provisions of the agreement". On the contrary, as per Company letters LTR-CD0502-LILLP-AG-0252 / LTR-CD0502-LILLP-AG-0265 dated 20-May-2016, LTR-CD0502-LILLP-AG-0278 / LTR-CD0501-LILLP-AG-0300 dated 4-Aug-2016, and LTR-CD0502-LILLP-AG-0286 / LTR-CD0501-LILLP-AG-0316 dated 15-Sep-2016, Company has gone above and beyond to ensure room availability at the MF camp, even going as far to organizing weekly meetings with Contractor and its Subcontractors to ensure better coordination and manpower forecasting between all parties.
6. Company also takes full exception to Contractor's allegations that Company is "...not fulfilling its obligations per the Agreement..." and "...Company is disrupting the progress of the work at MF". The actions taken by Company in the last six months to mitigate impacts to Contractor due to capacity issues at MF camp demonstrates Company's commitment to the success of the work at MF.

As for Contractor's staff, Company agrees to pay for reasonable costs incurred by Contractor for staff required to live off Site at Muskrat Falls until such time rooms become available at the MF camp.

Please feel free to contact the undersigned should you wish to discuss this matter further.

Regards

Darren DeBourke, P. Eng.
Project Manager, HYDRO Specialties

- c.c. Tina Trate (LCMC) Mark Ellis (LCMC) Kenya Amb (GS)
- Anthony Jackson (LCMC) Kay Butler (LCMC) Daniel De Stes (GS)
- Sherry Power (LCMC) Don Lewis (LCMC) Guy Devillera (GS)

As for Contractor's staff, Company agrees to pay for reasonable costs incurred by Contractor for staff required to live off Site at Muskrat Falls until such time rooms become available at the MF camp.



LTR-CD0501-LI LLP-AG-0453- July 24, 2017

Page 1



Lower Churchill Management Corporation
Lower Churchill Project Operations Office
300 Highway 500, St. John's, NL, Canada A1A 1X1

RE: LTR-CD0501-AG-0453
LTR-CD0501001-0453

24-Feb-2017

Mr. Scott Blanché
Executive Project Director
GRID SOLUTIONS CANADA LLC
1400 Industrielle, Suite 100
La Prairie, Québec
J5R 2E5

Subject: MTA Site Accommodations Camp-Contractor Personnel Living Off-Site
Re: LTR-CD0501-AG-0453-0315
LTR-CD0501-AG-0453-0397


Dear Mr. Blanché,

As Company mentioned in its previous letters LTR-CD0501-LI-AG-0453 and LTR-CD0501-LI-AG-0453, an expansion to the Muskrat Falls accommodation complex has been completed. This expansion of 464 rooms/beds adjacent to the existing complex shares the same services and utility hall as the existing accommodation complex.

The new rooms meet contractual provisions and Contractor must understand that the new rooms are equally to the overall Muskrat Falls accommodation complex and that rooms will be attributed on a first come/first serve basis so Contractor personnel could be allocated rooms in the expansion section or in the previously existing sections.

Company has already agreed to support all reasonable and substantiated additional costs incurred by Contractor due to the non-availability of rooms at the Muskrat Falls complex from 02-Feb-2017 and will continue to do so for costs incurred up to 01-Sep-2017 including fees and costs related to termination of leases if the signed leases include such fees and costs and if notice of termination was given on time.

Regards,


Stephen Finkel
Project Manager, MTA Site Services

- | | | | |
|------|----------------------|------------------------|------------------------|
| c.c. | Shawn Murray (LMC) | Melissa Cormier (CMC) | Kenzie Arab (SS) |
| | Ashley Jackson (LMC) | Tim Hunt (CMC) | Pierre Savoie (CMC) |
| | Mark Ellis (LMC) | Alejandra Salinas (SS) | Duy Doylars (SS) |
| | Tim Ralph (LMC) | Ted Hubbard (SS) | Claude Mandeville (SS) |

A Nalcor Energy company

Company has already agreed to support all reasonable and substantiated additional costs incurred by Contractor due to the non-availability of rooms at the Muskrat Falls complex from 02-Feb-2017 and will continue to do so for costs incurred up to 01-Sep-2017 including fees and costs related to termination of leases if the signed leases include such fees and costs and if notice of termination was given on time.



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000111

LTR-CD0501-LI LLP-AG-0442- June 30, 2017

Page 1



Lower Churchill Management Corporation
Lower Churchill Project Operations Office
350 Aubrey Road, Suite 1
St. John's, NL Canada A1A 6E1

LTR-CD0501001-0840
LTR-CD0501-LI-LLP-AG-0442
LTR-CD0502-LI-LLP-AG-0397

30 Jun-2017

Mr. Scott Bianchi
Executive Project Director
GRID SOLUTIONS CANADA ULC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2E5

Subject: Muskrat Falls Accommodations - Contractor Personnel Living Off-Site
RE: LTR-CD0502-LI-LLP-AG-0293 / LTR-CD0501-LI-LLP-AG-0320 dated 6-Oct-2016

Camp available in Sept 1 2017

Dear Mr. Bianchi,

Further to Company letters LTR-CD0002-LI-LLP-AG-0293 / LTR-CD0501-LI-LLP-AG-0320 dated 6-Oct-2016, Company advises Contractor that expansion to the accommodations complex at Muskrat Falls is now complete. Contractor can begin transitioning personnel who currently live off site to the accommodation complex starting 15-Aug-2017. Company expects all off site personnel to be moved to the camp by 1-Sep-2017. Company will not reimburse Contractor for any costs related to personnel living off site after 1-Sep-2017. Contractor may choose to maintain accommodations off site; however, after 1-Sep-2017 these costs will no longer be to Company's account.

Please feel free to contact the undersigned should you wish to discuss this matter further.

Regards,

Stephen Follett
Project Manager, HVDC Specialists

- | | | |
|--------------------------|-----------------------|------------------------|
| c.c. Shawn Hurley (LCMC) | Melissa Coombs (LCMC) | Kenza Arab (GS) |
| Anthony Jackson (LCMC) | Tim Hunt (LCMC) | Alejandro Soldana (GS) |
| Mark Ellis (LCMC) | Donald Samson (LCMC) | Duy Devillers (GS) |
| Pierre Sasseville (LCMC) | Olivier Ruiz (GS) | Claude Mandeville (GS) |
| Tim Ralph (LCMC) | Ted Hubbard (GS) | Pat Kelly (GS) |

a Nalcor Energy company



GE Grid Solutions submission to CIMFP

November 6, 2017

GE_Muskrat_0000112

LTR-CD0501-AG-LI LLP-0397 – July 16, 2017



Labrador-Island Link Limited Partnership
Lower Churchill Project
350 Torbay Road Plaza, Suite No.2
St. John's, NL
Canada A1A 4E1

LTR-CD0501001-0852

To the attention of Mr. Fallett

Date: 16-July-2017

O/Ref: LTR-CD0501-AG-LI LLP-0397
V/Ref: LTR-CD0501-L&LP-AG-0402 dated 30-Jun-2017
Agreement No: CD0501/502 - Converter Stations and Transition Compounds

Subject: MFA Site – Accommodations Camp - Contractor Personnel living off-site -
Contractor Reply

Dear Mr. Fallett,

Contractor acknowledges receipt of Company's referenced letter informing Contractor that the new camp extension will be ready for occupancy starting 15-Aug-2017 and that all of Contractor's personnel shall be required to move into the MFA camp between 15-Aug-2017 and 01- Sept- 2017.

In order to make necessary arrangements for the transfer of Contractor's field staff to the new camp facilities, Contractor requests Company to provide the following information and confirmation:

- The number of rooms and the capacity of this new camp
- Localisation of the camp and services available
- The rooms will be as per the contractual provisions set forth under Exhibit 12 - Section 5.2 - Rooms
- The Meals & Catering will be compliant with Exhibit 12 - Section 5.3
- Company will support all costs associated with Contractor's offsite accommodations from 02-Feb-2017 to the final transfer of all Contractor's personnel to the camp 01-September-2017, including fees and costs related to termination of leases.

Contractor requests that this information be made available by or before 23-July-2017, to provide adequate time for Contractor to undertake necessary actions with its accommodations suppliers.

Contractor remains at Company's disposal.

Yours Faithfully,

D. Scott Bouché PhD, PE
Executive Project Director/Contractor Representative

GE acknowledge instructions and requests further confirmation/information about camp conditions



GE Grid Solutions submission to CIMFP

November 6, 2017

GE_Muskat_0000113

LTR-CD0501-LI LLP-AG-0453- July 24, 2017

Page 1



Letter of Intent of Management Corporation
to use Onshore Project Operations Office
575 Highway 204, Suite 2
St. John's, NL Canada A1B 4E1

LTR-CD0501-LI-LLP-AG-0453
LTR-CD0501001-0968

24 July 2017

Mr. Scott Blanché
Executive Project Director
GRID SOLUTIONS CANADA LLC
1400 Industrielle, Suite 300
Le Prairie, Quebec
J5R 2E5

Subject: MFA Site Accommodation Camp-Contractor Personnel Living Off-Site
Re: LTR-CD0501-AG-LI-LLP-0315
LTR-CD0501-AG-LI-LLP-0397


Dear Mr. Blanché,

As Company mentioned in its previous letters LTR-CD0501-LI-LLP-AG-0442 and LTR-CD0501-LI-LLP-AG-0389, an expansion to the Muskrat Falls accommodation complex has been completed. This expansion of 464 rooms/beds adjacent to the existing complex shares the same services and dining hall as the existing accommodation complex.

The new rooms meet contractual provisions and Contractor must understand that the new rooms add capacity to the overall Muskrat Falls accommodation complex and that rooms will be attributed on a first come/first serve basis so Contractor personnel could be allocated rooms in the expansion section or in the previously existing sections.

Company has already agreed to support a reasonable and substantiated additional costs incurred by Contractor due to the non-availability of rooms at the Muskrat Falls complex from 02-Feb-2017 and will continue to do so for costs incurred up to 01-Sep-2017 including fees and costs related to termination of leases if the signed leases include such fees and costs and if notice of termination was given on 15th.

Regards


Stephen Follett
Project Manager, HVDC Specialties

- cc. Shawn Hurley (LCMC) Melissa Coombs (LCMC) Keesa Arab (GS)
- Anthony Jackson (LCMC) Tim Hunt (LCMC) Pierre Skuseville (LCMC)
- Mark Ellis (LCMC) Alejandro Salazar (GS) Day Doolittle (GS)
- Tim Rajda (LCMC) Tad Hubbard (GS) Claude Mandeville (GS)

a Nalcor Energy company

Nalcor is contesting the travelling hours and number of people included is reason they are doing the audit



November 6, 2017

GE Grid Solutions submission to CIMFP

GE_Muskrat_0000114

Accommodations

Status & Impact

- GE provided some of the off-site accommodations between Feb 2, 2017 and Aug 31, 2017.
- GE issued two change requests on August 29, 2017:
 - (1) CD0501 for [REDACTED] CAD
 - (2) CD0502 for [REDACTED] CAD



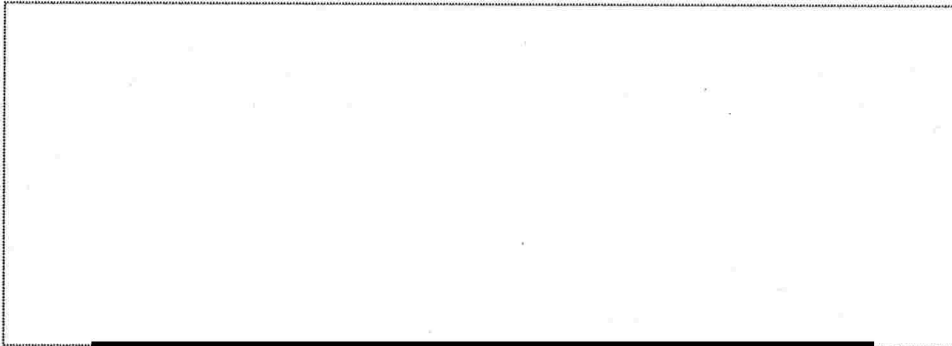
[REDACTED]

Accommodations

GE Proposal

Nalcor is planning to do an audit on Nov 9, 2017 in the GE offices at La Prairie. After the audit, Nalcor needs to approve the two change requests.

Agreement



Nalcor's Reply

On May 2017 and September 2017, Nalcor requested to merge the CHR from 02-Feb-2017 to 31-Aug-2017.

On August 2017, Nalcor informed GE after on year of non-availability of MFA Camp, that GE can return to the camp from 01-Sept-2017 and will not pay any additional compensation.

On September, Nalcor rejected the amount of hours, rates and days claimed by GE for the travelling hours between Site and Goose Bay and the number of employees

On September 2017, further to GE additional backup, Nalcor decided to Audit the costs claimed by GE

On October, Nalcor and GE agreed on scope and date of the Audit.



November 6, 2017