



Government of Newfoundland and Labrador
Executive Council

July 20, 2017

Mr. Gilbert Bennett
Lower Churchill Management Corporation
Corporate Office, 500 Columbus Drive
P.O. Box 12800
St. John's, NL
A1B 0C9

Attention: Mr. Gilbert Bennett, Executive Vice President Power Development

RE. North Spur Stability

Dear Mr. Bennett:

Thank you for your letter dated May 17, 2017 and the attached response from SNC-Lavalin in response to the Oversight Committee's (the Committee) letter to you, dated March 31, 2017 regarding the North Spur. We appreciate the information provided to the Committee and will follow up accordingly.

The Committee further requests:

1. Confirmation from Hatch that they are satisfied with the responses provided by SNC-Lavalin to the 2014 "Cold Eye Review of Design and Technical Specifications, North Spur Stabilization" report;
2. Confirmation from Hatch that dam safety management procedures and practices reviewed conform with applicable Canadian Dam Association (CDA) Dam Safety guidelines;
3. Confirmation from SNC-Lavalin that they have been on site to oversee the North Spur stabilization construction activities; and
4. Copies of contractual agreements between SNC-Lavalin and Nalcor which contain indemnifications for SNC-Lavalin for the engineering design, construction and/or failure of the North Spur. This includes, but is not limited to the January 9, 2015 Agreement.

The Committee also requests that with respect to the Committee's March 31, 2017 letter, Nalcor respond to Mr. Vardy and Mr. Penney on issues raised regarding the stability of the North Spur. Significant time has lapsed since the Committee requested Nalcor to prepare a response and communicate with Mr. Vardy and Mr. Penney.

If you need any clarification on these matters, please feel free to give me a call to discuss.

Sincerely,

A handwritten signature in black ink that reads "Paul Q. Carter". The signature is written in a cursive style with a large initial 'P'.

Paul Q. Carter
Executive Director - Muskrat
Falls Project Oversight
Committee

c. Stephen Pellerin, Lower Churchill Project