



Government of Newfoundland and Labrador
Office of the Premier

July 28, 2017

SNC-Lavalin Inc.
1801 McGill College Avenue, 12th Floor
Montreal, Quebec H3A 2N4

Attention: Michel Tremblay

Subject: Muskrat Falls Development

Dear Mr. Tremblay:

I write in follow-up of the meeting just two days ago on July 26, 2017 between Nalcor as represented by Mr. Stan Marshall, SNC Lavalin as represented by yourself and Mr. Paolo Cattelan, and the Provincial Government as represented by myself and officials. As you will recall, the subject of this meeting was SNC Lavalin's correspondence to Mr. Scott O'Brien and Mr. Lance Clarke of Nalcor dated October 28, 2016 and June 21, 2017 respectively.

I became aware of the above-noted correspondence last Friday, July 21, 2017, following a meeting of the Muskrat Falls Oversight Committee the evening before. As you can imagine, I am not only surprised of its contents but am shocked to learn that, according to your comments, public safety may be at risk if water levels are lowered to natural conditions. While I am comforted by your assurance that this has no ramifications respecting the North Spur, your comments suggest that lowering the water could increase the risk of landslides possibly creating pulse waves upstream from the dam.

Before entering into an agreement with indigenous leaders on October 26, 2017 to lower water levels, Gilbert Bennett of Nalcor informed me, unequivocally, that drawing down the river to natural levels would be safe. Your correspondence contradicts his advice. I now have no choice but to write you directly at this time.

I will not be satisfied until the risks are clear and all are aware of how to proceed going forward. I write you to immediately seek clarification respecting questions you could not clearly answer during the meeting:

- 1) In light of your comments on the current state of the river and potential change in circumstances, do all of the elements in your above-noted correspondence still apply today? If not, what has changed?
- 2) If the risks are as you say they may be, why did you recommend for Nalcor to lower water levels in November 2016 by 8 metres in a matter of days after having flagged it as a risk just a month prior?

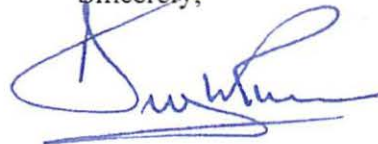
- 3) Had you been advising government directly in October 2016, what would your advice have been with respect to lowering water levels vis a vis the risk of landslides?
- 4) When water levels of the reservoir are raised to operational levels of 39 metres at project completion, what is the risk to future public safety if water levels must be quickly lowered due to an unforeseen event? Has this question been posed to you before, and if so, what was your advice at that time?
- 5) Based on current conditions in the river, is your recommendation to immediately raise water levels back to 24-25 metres? If it is not your present recommendation, when should it occur?

I am extremely frustrated with this troubled project and my priority is to complete it in a cost-effective, and most importantly, a safe manner. Government directed that water levels be lowered in light of risks associated with potential methylmercury issues on the assurance that it was not a safety concern. Now you have put that assurance into question. We are now in a position where Nalcor must keep water levels sufficiently low to monitor the methylmercury levels but also sufficiently high in light of potential landslides and resulting pulse waves.

I understand from our discussion that upstream water levels have been drawn down to current levels at a sufficiently low rate to address potential landslide concerns while also keeping levels low enough to address potential methylmercury concerns. I expect answers to the above-noted questions as soon as humanly possible so that Nalcor, its Board of Directors, and the Muskrat Falls Oversight Committee can be fully apprised of your recommendations going forward.

Further, I request that any information deemed relevant to public safety be forwarded to the Nalcor Board of Directors and the Muskrat Falls Oversight Committee at the absolute earliest opportunity.

Sincerely,



DWIGHT BALL
Premier
MHA, Humber-Gros Morne

cc: Mr. Stan Marshall, President and CEO of Nalcor
Nalcor Board of Directors
Muskrat Falls Oversight Committee