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Mushuau Innu Government Vision Statement

To provide good government, that responds to the needs of the people and fosters unity, understanding and fairness to the Mushuau Innu

3 September 2015

Board of Commissioners of Public Utilities PO Box 21040 120 Torbay Road St John's NL A1A 5B2

Re Hearing before the Public Utilities Board regarding rates application of Newfoundland and Labrador Hydro ("NL Hydro")

Dear Commissioners,

I am writing as an addendum to an earlier letter I wrote, dated June 17, 2015, on electricity services in Natuashish. My earlier letter had been appended to the report of Mr. Eric Coombs. At the time that I wrote my earlier letter, I was not aware that the events I will narrate below are relevant to the above-cited matter.

I am describing the following events based on my personal experience of them, in my capacity as co-manager of the Mushuau Innu First Nation ("MIFN").

In November 2012, NL Hydro identified that Unit 2068 required critical repairs in advance of the high load winter season. NL Hydro provided a budget for the repair of unit 2068 of \$98,000. MIFN made application to Aboriginal Affairs and Northern Development Canada to fund this repair and the funding was approved.

The repair work began in January 2013 and was completed April 18, 2013. Actual cost of the repair was \$102,544.97.

Shortly after the overhaul, when unit 2068 was restarted, smoke and fire could be seen emanating from the power plant, apparently as a result of a fire in the recently repaired unit 2068. The safety system in place was triggered preventing further damage.

NL Hydro complete a review of the incident, which I understand is standard practice within NL Hydro. The review was completed over May and June 2013. The cost of the initial response and investigation was billed to the MIFN in February 2014 at a cost of \$32,227.69.

NL Hydro has not provided a copy of this investigation report to MIFN.

Notwithstanding the repairs and plan previously mentioned, unit 2068 needed to be overhauled again. Work began in October 2013 and was completed in March 2014 at a cost of \$310,148.90.

Regards,

PwC LLP, in the capacity as Co-manager for the Mushuau Innu First Nation

Phil Clarke, CPA, CA, CIRP

Partner