



Email: Rupert.Legge@plutonic.ca
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June 3, 2010

Les Cooke
Chair, Review Panel
Federal Review Panel
Bute Inlet Hydroelectric Project
160 Elgin Street
22nd Floor, Place Bell Canada
Ottawa, ON K1A 0H3

Dear Mr. Cooke:

Re: Bute Inlet Hydroelectric Project

I am writing on behalf of Bute Hydro Inc. (a 100% owned subsidiary of Plutonic Power Corporation) to advise the Federal Review Panel that the Company has decided to extend the timeframe for developing the Bute Inlet Hydroelectric Project (Project). We are extending the timeline for the Project for the following reasons:

- The Bute Inlet Hydroelectric Project did not receive an Electricity Purchase Agreement (EPA) in the 2008 Clean Power Call.
- While the recently tabled *Clean Energy Act* has provided some potential future development paths for the Project it appears that the likelihood of obtaining an EPA for the Project within a reasonable time period has been reduced.
- Taking into consideration the above, and with the potential to reconfigure the Project as the result of additional field study results, there is uncertainty on what the composition of the Project may be moving forward.

Based on our current understanding of the Project and the uncertain timeline for the next opportunity to obtain an EPA, we do not see advancing the Project through the environmental assessment at this time. We remain committed to the development of this Project, and will continue with cost-effective work to ensure that we move forward in a manner consistent with the high standards set by governments.

Sincerely,

BUTE HYDRO INC.

Original Signed

Rupert Legge
President & Director

cc: Peter Sylvester, President, Canadian Environmental Assessment Agency
Marie-France Therrien, Panel Manager, Canadian Environmental Assessment Agency