

1 Q. **Reference: Supply Cost Deferrals 2015, 2016 and 2017 Application Evidence, Page**
2 **4, lines 20-23.**

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4 *Through its investigation and summary report following the March 4, 2015 Avalon*
5 *Voltage Collapse events, Liberty commented on Hydro's then lack of reliability*
6 *culture and failure to plan for contingency events. Furthermore, Liberty indicated*
7 *that Hydro has a "non-standard industry thinking associated with reliability.*

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9 Please confirm that in its October 22, 2015 *Review of the Newfoundland and*
10 *Labrador Hydro, March 4, 2015 Voltage Collapse* Liberty Consulting did not
11 specifically recommend the use of standby and emergency generation in the
12 manner ultimately implemented by Hydro.

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15 A. Liberty Consulting's Review of the March 4, 2015 Voltage Collapse
16 recommendations were as follows:¹

- 17 1. Hydro should assign a team to implement a program to establish a more
18 robust operational philosophy regarding reliability.
- 19 2. Hydro should enhance the skills and capabilities it brings to reliability
20 engineering and analysis.
- 21 3. Hydro should take steps to assure situational awareness among operators
22 and others who need the information to respond promptly and ably to
23 adverse system conditions.
- 24 4. Hydro should implement a more robust approach to the CERP.

¹ Liberty Consulting's Review of the March 4, 2015 Voltage Collapse, Pages 10 and 11.

1 5. Advance Notification Protocols should appropriately identify potential
2 impact in terms of the loss of power to customers.

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4 Specifically, the discussion surrounding recommendation number 2 states:²

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6 *Our report following the January 2014 outages found a number of*
7 *examples of non-standard industry thinking associated with*
8 *reliability. The March 4th incident provides another telling example.*
9 *This suggests that more conventional approaches and the skills to*
10 *implement them are appropriate.*

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12 Hydro notes that this recommendation is principled in nature and does not
13 specifically recommend what “*non-standard industry thinking*” should be addressed
14 or which “*more conventional approaches*” to adopt. In this regard, Hydro has
15 applied these principles to develop a more robust operational philosophy which has
16 benefited customers (primarily Newfoundland Power) through increased reliability
17 from 2015 through 2017.

² Liberty Consulting’s Review of the March 4, 2015 Voltage Collapse, Page 10.