

June 20, 2018

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL
A1A 5B2 Canada

Attention: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: An Application by Newfoundland and Labrador Hydro (Hydro) for approval of capital expenditures to complete a Level 2 condition assessment on Penstocks 1 and 2, and a report on Penstocks 1, 2, and 3 at the Bay d'Espoir Hydroelectric Generating Station

Following is Newfoundland and Labrador Hydro's (Hydro) reply with regard to the above noted Application.

1.0 Application Background

On June 8, 2018, Hydro filed an Application with the Board of Commissioners of Public Utilities (the Board) pursuant to section 41(3) of the *Public Utilities Act* (the *Act*) requesting approval of capital expenditures of approximately \$1,120,600 to complete Level 2 condition assessments on Penstocks 1 and 2, and a report on Penstocks 1, 2, and 3 at the Bay d'Espoir Hydroelectric Generating Station.

2.0 Procedure

On June 13, 2018, the Board set a schedule with respect to this Application. Comments from the Parties were due by June 19, 2018.

3.0 Hydro's Response


Correspondence was received by Newfoundland Power on June 19, 2018, supporting Hydro's application stating "*the condition of the Penstocks is essential to the ongoing reliability of Bay d'Espoir.*"

Hydro submits that the capital works for which Hydro has sought approval in this Application are necessary to ensure that Hydro can continue to provide service which is safe and adequate and just and reasonable as required by Section 37 of the *Act*. Hydro respectfully requests that the Board approve Hydro's application, as submitted.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Michael S. Ladha
Legal Counsel & Assistance Corporate Secretary
MSL/skc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey
ecc: Dean Porter – Poole Althouse
Larry Bartlett – Teck Resources Ltd.

Dennis Browne, Q.C. – Browne Fitzgerald Morgan & Avis
Sheryl Nisenbaum – Praxair Canada Inc.
Denis J. Fleming – Cox & Palmer