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April 14, 2022

VIA EMAIL

Board of Commissioners of Public Utilities
Prince Charles Building
210-120 Torbay Road
St. John's, NL, A1A 2G8

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

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro's Application for Exemption to Regulation 17
for the Wabush Airport**

Please find enclosed the Labrador Interconnected Group's Requests for Information in the above-noted matter: LAB-NLH-001 to LAB-NLH-005.

Please do not hesitate to contact the undersigned with any questions or concerns you may have.

Thank you,

Respectfully yours,
Olthuis, Kleer, Townshend LLP

/s/JOSHUA FAVEL
ASSOCIATE

IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSN 1990, Chapter P-47 (“Act”);

AND IN THE MATTER OF the Application for Exemption to Regulation 17 — Wabush Airport, filed by Hydro.

**Request for Information
by the Labrador Interconnected Group**

Application for Exemption to Regulation 17 — Wabush Airport

LAB-NLH-001 to LAB-NLH-005

April 14, 2022

**Request for Information Regarding the Application for Exemption to Regulation 17 —
Wabush Airport**

LAB-NLH-1. Re: Application for Exemption to Regulation 17 — Wabush Airport

Citation (page 5 pdf):

8. In response to the Board's query regarding the status of Regulation 17 post approval of the Policy, filed on April 7, 2021, Hydro recommended that the existing restrictions remain in place while the system expansion needs for reliable service to customers in Labrador West and Labrador East were determined. This is due to the continued system capacity restrictions that exist in the region.

- a. Please provide a copy of Hydro's response to the Board dated April 7, 2021.**
- b. Have the updated system expansion needs for reliable service to customers in Labrador West and Labrador East referred to in the Citation been determined? If so, please provide the relevant documentation. If not, please describe the progress that has been made toward doing so, the steps remaining, and the anticipated timetable thereof.**

LAB-NLH-2. Re: Application for Exemption to Regulation 17 — Wabush Airport

Citation (pages 6-7 pdf):

9. Hydro has received a request for service from Transport Canada for an exemption to the load restriction to allow for an increase to its electrical supply for two purposes.³ The first is a request for an additional peak load of 550 kW to upgrade the Airport Terminal Building's heating system. The second is for additional peak load of 275 kW to construct a new Runway Sweeper Garage and Sand & Urea shed. The total request is 825 kW. The request for an exemption is attached as Schedule 1, and provides information with respect to the purposes of the application. Revised information with respect to the estimated peak loads are provided in Schedule 2 to this application.

- a. Would any additions or modifications to the Labrador power system be required in order to deliver an additional 825 kW to the Wabush Airport? If so, please describe them in detail, with an indication of their costs.**
- b. If any such additions or modifications would be required, please provide an analysis of the rate impacts of these investments for Labrador Interconnected customers, over the first 5 years following commissioning.**
- c. If no such additions or modifications would be required, is it correct to assume that the exemption would have a negative rate impact, due to the additional sales? Please explain your response in detail.**

- d. **Does this new load have the effect of accelerating the need for new transmission investment in Labrador West? If so, please explain why, and provide an updated schedule of anticipated future transmission investments. If not, please explain why not.**

LAB-NLH-3. Re: Application for Exemption to Regulation 17 — Wabush Airport

Citation (pp. 6-7 pdf):

12. The impact of the additional load in Wabush, based on the existing transfer capability and current load requirements, would increase the potential for requests for curtailment of the power supplied to the existing industrial customers and customers with whom Hydro has contracts permitting curtailment. Hydro has communicated with those industrial customers prior to filing this application and they have not advised Hydro of any objections to the proposed exemption.

- a. **Please provide one or more tables indicating rural and industrial loads in Labrador West and Labrador East, in both MW and GWh, indicating annual curtailments, for historic years 2018 through 2021, and forecasts for 2022 through 2026, including the proposed project.**

LAB-NLH-4. Re: Application for Exemption to Regulation 17 — Wabush Airport

Citation (pp. 7-8 pdf):

16. ... The Upstream Capacity Charge is calculated as the Upstream Capacity Cost less the Basic Capacity Investment Credit. The calculation for the Transport Canada request is attached as Schedule 4, showing an Upstream Capacity Charge of \$290,625.00. ...

- a. **Please describe in detail the accounting treatment that will be applied to this payment. Will it reduce the LIS revenue requirement in the year when it is made, or over a longer period? Or will it be held in escrow to contribute to future network investments?**

LAB-NLH-5. Re: Application for Exemption to Regulation 17 — Wabush Airport, Schedule 3

Citation (p. 15 pdf):

... In addition, these boilers are now obsolete making repair parts difficult to locate or source . These boilers are an extreme risk to the on-going service of the Wabush Airport and need replacement as soon as possible. Even though not ideal, the ATB cannot risk another heating season in 2023 and would be forced to pivot and install new oil fired boilers if additional power cannot be approved.

Based on this, Transport Canada did not hire a third party consultant to conduct a report to show that these boilers need to be replaced. It is apparent without tests, studies or reports that this is a large risk that's needs to be mitigated as soon as possible. Transport Canada and PSPC have gone forward with Electric Boilers as the number one option, but this is not the reason for the project and they will need to be replaced prior to the 2023 heating season regardless of the method.

If you have any further questions or want to discuss with my team, please let me know and I can coordinate the meeting.

- a. Did Hydro inquire whether or not Transport Canada has explored the option of replacing the boilers with heat pump technology, instead of resistance heating, in order to increase their efficiency and reduce the amount of electricity required?**
 - i. If so, please describe these discussions and their outcome.**
 - ii. If not, please explain why no such inquiries were made.**