

IN THE MATTER OF An Investigation And Hearing
Into Supply Issues And Power Outages On The
Island Interconnected System.

REPLY TO HYDRO'S CONTESTATION DATED JANUARY 19, 2015 OF GRK-NLH-087 TO GRK-NLH-092

**Board of Commissioners of Public Utilities
Prince Charles Building
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**ATTENTION: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary**

February 18, 2016

This letter constitutes GRK's reply to Hydro's contestation of GRK-NLH-087 to GRK-NLH-092. We apologize for the tardiness of this reply.

Hydro alleges that GRK-NLH-087 to GRK-NLH-091 "specifically request exactly the type of information which the Board has ruled would not be relevant or useful in this proceeding".

This statement is simply incorrect. The Board has indeed stated that "this proceeding will not involve an analysis of engineering and construction issues associated with the Muskrat Falls Project," and, on this basis, it has rejected certain requests for the production of technical documents.¹ However, in the very same paragraph, Hydro acknowledges that the RFIs in question do not request technical information, but only precise references to documents that Hydro itself referred to in its evidence.

Each of GRK-NLH-087 to 091 specifically request exactly the type of information which the Board has ruled would not be relevant or useful in this proceeding. GRK-NLH-087 requests information in relation to engineering studies dealing with the incorporation of specific features to ensure the long-term stability of the North Spur. GRK-NLH-088 requests information in relation to engineering studies which addressed the solution for the North Spur. GRK-NLH-089 requests information in relation to the potential liquefaction of sensitive silt/clay in specified circumstances. GRK-NLH-089 [the reference is actually to GRK-NLH-090] requests information in relation to communications regarding stability studies. GRK-NLH-090 [the reference is actually to GRK-NLH-091] requests Reports that are technical studies related to the Muskrat Falls dam and the North Spur. This information is specific to the work to be done to stabilize the North Spur which the Board has already ruled would not be relevant or useful in this proceeding (Order P.U. 41 (2014) page 27).

GRK-NLH-91 does indeed request copies of studies and, in recognition of the Board's view mentioned

¹ P.U. 41(2014), page 26.

above, GRK agrees to withdraw this RFI.

However, with regard to GRK-NLH-087 through GRK-NLH-90, GRK respectfully submits that the information requests consists of normal requests for precisions with respect to statements already made in Hydro's evidence, which are deserving of a response.

More specifically:

GRK-NLH-87

Please provide:

- a list of the engineering studies referred to, indicating the title, author and date of each;
- a list of the specific features to ensure long-term stability that have been incorporated, with a detailed description of each;
- the title, author and date of the report of the Project's Independent Engineer that "validates" the design; and
- the title, author and date of the report by Hatch that "validates" the design.

GRK-NLH-88

Please provide a list of the numerous engineering studies and investigations referred to, indicating the title, author and date of each, and identify the engineering consultants referred to.

GRK-NLH-89

Citation from the Independent Engineer (IE):

"Concerns have been raised during earlier project reviews about potential liquefaction of the sensitive silt/clay strata during the design earthquake."

Please identify the earlier project reviews in which concerns were raised about potential liquefaction of the sensitive silt/clay strata during the design earthquake, and provide copies of the relevant passages if they are not publicly available.

GRK-NLH-90

Citation:

"In the fall of 2013 the IE and other reviewers commented that the stability studies had not considered the special liquefaction and strength loss strength properties under earthquake loadings and that further studies were needed to deal with this issue."

Please provide copies of the communications referred to from the fall of 2013 in which the IE and other reviewers commented that the stability studies had not considered the special liquefaction and strength loss strength properties under earthquake loadings and that further

studies (e.g. porosity studies) were needed to deal with this issue.

It should be recalled that the Board has, in the past, ordered responses to certain GRK RFIs concerning the North Spur. For example, in P.U. 41 (2014), at page 27, it wrote:

The Board believes that the information requested generally goes beyond what would be relevant and useful in this proceeding, seeking detailed technical data and reports in relation to the work to be done to stabilize the North Spur. However the information requested in GRK-NLH-55 and 57 may be relevant to the issue of assessment of risk. The Board therefore accepts Hydro's motion with respect to GRK-NLH-53, 54 and 56. The Board rejects Hydro's motion with respect to GRK-NLH-55 and 57 to the extent that the responses can address the consequences regarding the availability of a reliable and adequate supply of power to the Island Interconnected system. (P.U. 41 (2014), p. 27)

The RFI in question reads as follows:

GRK-NLH-55 Please provide a copy of the document in which "Muskrat Falls engineer assigned to provide independent project oversight looked at the North Spur plans and concluded that they meet currently accepted geotechnical standards, and should stabilize the spur when Muskrat Falls is built."

Then, as in the present case, the RFI requested precisions about statements about the North Spur already made in Hydro's evidence. There, despite the fact that, unlike here, the RFI requested production of a document, the Board rejected Hydro's motion.

For all these reasons, GRK respectfully requests the Board to reject Hydro's motion with respect to GRK-NLH-087 through -090.

Finally, GRK-NLH-092 reads:

GRK-NLH-92

Citation:

"Designs will be amended if any significant surprises or discrepancies are encountered."

Does Hydro acknowledge the possibility that significant surprises or discrepancies could occur? Please provide Hydro's estimates of the likelihood that such significant surprises or discrepancies could occur, and of their severity.

The letter from Hydro's counsel (at page 2) in effect responds to this question, as follows:

GRK-NLH-092 requests that Hydro provide estimates of the likelihood of surprises or discrepancies occurring in relation to a quote from the Committee Report that "[d]esigns will be amended if any significant surprises or discrepancies are encountered." By their nature Hydro cannot estimate surprises or discrepancies and as noted in Hydro's correspondence of January 14, 2014 to the Board on the GRK's recent Motion "the Muskrat Falls dam is being designed similar to all other Hydro dam facilities so that the probability of risk of failure is negligible".

Further, the quote in question from the Committee Report derives from the Independent Engineer's conclusions regarding the North Spur work which confirm the adequacy of the work being done to stabilize the North Spur (see attached page 35 from the publicly available Committee Report).

With respect to the Board's ruling that information regarding risks associated with the North Spur as such information goes to the provision of the reliable and adequate provision of power may be within the scope of this proceeding (page 15 of Order P.U. 41 (2014)), Hydro submits that none of the above noted RFIs go to this issue, and Hydro has in its response to GRK-NLH-044 already specifically addressed that matter by describing in detail the options available to Hydro in the very unlikely event of a dam breach at Muskrat Falls. A failure of the North Spur would have a similar impact to a dam breach in that the ultimate result could be the loss of all or substantially all of the output from Muskrat Falls.

While it would have hoped for a more substantive response, GRK acknowledges that these two paragraphs do, in effect, constitute a response to the question posed in the RFI. However, in order for the record to be complete, GRK respectfully submits that this information should be provided in an RFI response, and hence in evidence, rather than in a submission from Hydro's counsel.

In summary GRK:

WITHDRAWS ITS RFI GRK-NLH-091

SUBMITS THAT HYDRO'S MOTION WITH RESPECT TO GRK-NLH-087 THROUGH GRK-NLH-090 AND GRK-NLH-092 SHOULD BE REJECTED

Respectfully submitted,

Charles O'Brien