



Hydro Place, 500 Columbus Drive.
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 f. 709.737.1800
www.nlh.nl.ca

February 3, 2014

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

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

Dear Ms. Blundon:

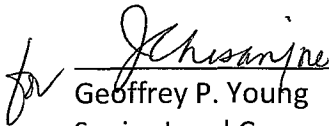
**Re: Supply Issues and Power Outages on the Island Interconnected System –
Issues List**

Please find enclosed in accordance with the Board's correspondence of January 17, the list of issues which Hydro believes should be addressed in the review process. This list addresses the matters raised in the Board's correspondence and will ensure that there is a thorough review of the recent supply and outage issues experienced in December and January, with a focus on ensuring that lessons learned can be incorporated on a go-forward basis. Hydro believes this list will ensure that the key issues are reviewed in a timely and efficient manner with a particular focus on the issues which lead to the review.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/jc.

1 **IN THE MATTER OF** the Public Utilities Act,
2 RSNL c.P-47 (the Act); and
3
4 **IN THE MATTER OF** an Investigation
5 and Hearing by the Board of Commissioners of
6 Public Utilities for Newfoundland and Labrador
7 (the Board) into the supply issues and power
8 outages on the Island Interconnected System
9 (the Proceeding).

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Issues List of Newfoundland and Labrador Hydro (Hydro)

15 The issues that Hydro proposes to be investigated by the Board are:

16

- 17 1. What are Hydro's supply (generation) planning criteria? What are Hydro's plans and
18 range of options to meet total system requirements between the present and the
19 time when the Labrador Island Link is commissioned?
20
- 21 2. What are Hydro's transmission planning criteria? Would additional transmission
22 facilities connecting Bay d'Espoir to the Avalon Peninsula have prevented customer
23 outages in January 2014?
24
- 25 3. What is the current load forecast for the upcoming winter periods? Is it impacted by
26 the higher than forecast demand experienced in December 2013?
27
- 28 4. What are Hydro's and Newfoundland Power's current load forecasting
29 methodologies? Should they now be modified?

- 1 5. What is the impact on the load forecast of changes in known Industrial Customer
2 demands?
3
- 4 6. How does Hydro address load forecast uncertainty? What are the current high and
5 low uncertainty bands in the load forecast for the coming winter periods?
6
- 7 7. What were the curtailable load arrangements with Corner Brook Pulp & Paper (CBPP)
8 (terms, conditions, pricing) to assist the system in meeting demands during this
9 winter?
10
- 11 8. Are similar arrangements to the CBPP arrangement potentially available from Hydro's
12 other Industrial Customers?
13
- 14 9. Is more curtailable load available from Newfoundland Power and Hydro's Rural
15 Customers?
16
- 17 10. What is the status of Newfoundland Power's seasonal and time-of-day rate options?
18 Would expanding these options assist with meeting system loads at peak load times?
19
- 20 11. Can the existing joint utility CDM program be modified with an impact on demand in
21 the coming winters?

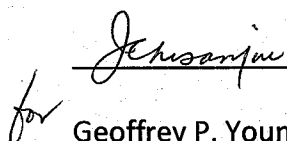
- 1 12. What are Hydro's current maintenance/asset management plans to ensure its
2 generation, transmission and protection and control assets are available for the
3 coming winters?
4
- 5 13. What are Hydro's emergency preparedness plans, including the generation shortage
6 protocol and the blackstart of Holyrood, and what were Hydro's actions during
7 December 2013 and January 2014?
8
- 9 14. What internal investigation is Hydro undertaking into the generation and
10 transmission issues experienced in December 2013 and January 2014 and how will
11 that be reported?
12
- 13 15. What were the sequence of events and root causes that led to the interruption of
14 service of customers following the equipment issues at the Sunnyside and Holyrood
15 terminal stations?
16
- 17 16. What were the reasons why certain generation assets were unavailable during the
18 supply disruptions?
19
- 20 17. What role did Hydro's power purchase agreements, including wind energy purchases,
21 play in Hydro's ability to meet customer load requirements?

1 18. What was the process followed by Hydro and Newfoundland Power to manage the
2 rotation of outages to customers? Should this process be refined in light of the recent
3 experiences?

4
5 19. What lessons have been learned from the recent experiences and how should these
6 be incorporated going forward?

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8
9 **DATED AT St. John's in the Province of Newfoundland and Labrador this 3rd day of**
10 **February 2014.**

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Geoffrey P. Young
Counsel for the Applicant
Newfoundland and Labrador Hydro
P.O. Box 12400
Columbus Drive
St. John's, Newfoundland and
Labrador
A1B 4K7

Telephone: (709) 737-1277
Telecopier: (709) 737-1782