

WILLIAM S. KENNEDY
Barrister, Solicitor & Notary

Jillian A. Hewitt
Telephone: (709) 747-9613
Facsimile: (709) 747-9723
E-mail: jhewitt@kennedylawoffice.ca

August 29th, 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

**Re: The Board's Investigation and Hearing into Supply Issues and Power Outages on the
Island Interconnected System - Motion Submission**

With respect to the above noted matter, please find attached Mr. Danny Dumaresque's submission on the motion of Newfoundland and Labrador Hydro to strike Requests for Information. A paper copy will follow.

Trusting you will find the above to be in order.

Yours truly,

WILLIAM S. KENNEDY LAW OFFICE



JILLIAN A. HEWITT
Articling Clerk

encl.

IN THE MATTER OF the Public Utilities Act,
RSNL c.P-47 (the Act); and

IN THE MATTER OF an Investigation
and Hearing by the Board of Commissioners of
Public Utilities for Newfoundland and Labrador
(the Board) into the Supply Issues and Power
Outages on the Island Interconnected System

TO: The Board of Commissioners of Public Utilities (the Board)

**RESPONSE to NOTICE OF MOTION of NEWFOUNDLAND AND LABRADOR
HYDRO to strike Requests for Information filed by Mr. Danny Dumaresque**

1. Mr. Danny Dumaresque is participating in the within proceeding as an Intervenor on the issue of reliability of the power system in this Province;
2. Mr. Danny Dumaresque is in receipt of a Notice of Motion filed by Newfoundland and Labrador Hydro (Hydro) with respect to the within proceeding. Having reviewed the Notice of Motion, Mr. Dumaresque states that a number of the Requests for Information (Requests) deemed by Hydro to be outside the scope of the within proceeding in its motion are relevant to the issue of reliability and adequacy on the Island Interconnected System and are therefore within the scope of the Board's current review.
3. Mr. Dumaresque was available to discuss Requests with Hydro from the time the Requests were filed on April 7th, 2014. No contact was made by Hydro in any attempt to determine the underlying reasons for said Requests.
4. Mr. Dumaresque notes that in response to Requests PUB-NLH-210, PUB-NLH-212 and PUB-NLH-223 (Island Interconnected System Supply Issues and Power Outages) Hydro responds with detail on the HVdc Submarine cable in the Strait of Belle Isle ("SOBI").

Mr. Dumaresque states that his questions regarding the SOBI cable are of a similar nature and, further, that the above mentioned Requests and responses support the relevance of Mr. Dumaresque's questions on this matter.

5. In an electronic correspondence dated May 30, 2014, Hydro stated it was directed by the PUB to copy all intervenors to the correspondence regarding Hydro's Report on Fuel Quality at Holyrood, filed in compliance with Board Order No. P.U. 4(2014). Mr. Dumaresque states that this direction by the PUB illustrates the relevance of Requests regarding fuel to the within proceeding.

6. In Order No. P.U. 15(2014) at page 4 the Board stated the following interest may fall within the issues to be addressed in the investigation:

“...the various risks associated with the unavailability of some or all of the planned energy and capacity from Muskrat Falls.”

Mr. Dumaresque believes it is this aspect of the review that causes his Requests regarding fuel oil supply, the SOBI cable link, the Water Management Agreement and the North Spur to become relevant.

7. In an email to Hydro dated June 16, 2014, the Board stated that it,

“...required Hydro report on the status of its generation assets following the major outages occasioned in January this year. Board staff members monitor these reports daily to advise the Board on the status of the electrical generation system and must be satisfied that the information it is relying on is accurate.”

Mr. Dumaresque states the below noted Requests are relevant generally in assessing the accuracy of the information provided to the Board, which has been lacking recently as illustrated in the Daily Supply and Demand Status Reports from Hydro.

8. Requests numbered DD-NLH-001 through DD-NLH-023, DD-NLH-028, DD-NLH-045, DD-NLH-048 and DD-NLH-049 deal with the issue of fuel oil supply, fuel quality and

the fuel system at the Holyrood Generating Station in 2013. Mr. Dumaresque submits the prior issues of fuel supply are relevant to the issue of reliability in this review. Mr. Dumaresque notes that the Liberty Consulting Group (“Liberty”), in its Interim Report dated April 24th, 2014, did not delve into the issue of fuel quality in sufficient detail. Liberty noted in this report that “Hydro developed a new fuel specification to address alumina and silicate content”, however this is not the case. This is confirmed in the report from Hydro to the Board dated July 4th, 2014 in response to Board Order No. P.U. 4(2014). Mr. Dumaresque states the documentation requested regarding the matter of fuel oil supply and fuel quality is necessary to confirm the integrity of the fuel quality supplied and whether there is compliance to the fuel oil contract. Mr. Dumaresque states the documentation requested in the above noted Requests is relevant in showing that power cannot be reliably and adequately produced without a guaranteed fuel quality and an effective fuel system to power the generator at Holyrood. Specifically, Mr. Dumaresque states the above noted Requests are relevant in determining the impact that a lack of sufficient fuel quality has on the integrity and reliability of the Holyrood Generating Plant and its ability to perform adequately. Further, Mr. Dumaresque states the above noted Requests are relevant in determining whether there are current legal obligations and possible enforcement procedures in place to ensure adequate and reliable supply of good fuel in the future.

9. Requests numbered DD-NLH-052 and DD-NLH-056 pertain to obtaining information regarding the physical risks associated with the SOBI cable link. Mr. Dumaresque states that problems encountered due to water ingress or due to the geological structure of the cable installation can affect the integrity of the cables, thus affecting the reliability of providing power. Information regarding the scope of work for the SOBI cable link will allow for determinations of any reliability concerns about the plan.
10. Request numbered DD-NLH-073 pertains to the use of HVDC cables over land or in a water free environment. Mr. Dumaresque states this Request is critical for making a

comparison and determining whether the chosen cable installation method has the highest level of reliability.

11. Requests numbered DD-NLH069, DD-NLH-071, DD-NLH-072, DD-NLH-075 through DD-NLH-084 and DD-NLH-087 through DD-NLH-090 deal with requests for reports, information and expert opinions related to the SOBI cable link. This information is relevant to determining if the present cable installation plan has the support of expert opinion and whether ice studies have concluded what risks exist to cables being damaged by being placed on the ocean floor. These Requests speak to the risks associated with the chosen plan of installation, thus affecting reliability of power supply.

12. Request DD-NLH-086 pertains to risks associated with the geological structure regarding the HDD program in the SOBI segment of Muskrat Falls. Mr. Dumaresque notes that in Order No. P.U. 15(2014) at page 4 the Board stated that the following interest may fall within the issues to be addressed in the investigation:

“...the various risks associated with the unavailability of some or all of the planned energy and capacity from Muskrat Falls.”

Mr. Dumaresque states this information is relevant to the question of the impact existing geological faults and structures will have on the reliability of cable life and performance.

13. Request DD-NLH-054 deals with the Agreement with the FFAW concerning the no fishing zone in the SOBI. Mr. Dumaresque states that the degree of enforcement of this Agreement will have a direct impact on the possibility of damage to cables on the ocean floor. An increased level of protection in this area will be required to minimize any possible damage or destruction to cables, thus affecting reliability of power supply.

14. Requests numbered DD-NLH-062 and DD-NLH-063 deal with the Water Management Agreement and legal processes affecting water management or power supply from Churchill Falls Power Station. Mr. Dumaresque states that whether the Water

Management Agreement is effective is pertinent to the issue of reliability in light of the Power Purchase Agreement.

15. Requests numbered DD-NLH-057 and DD-NLH-058 deal with the issue of the North Spur. Mr. Dumaresque notes in Order No. P.U. 15(2014) at page 4 the Board stated that the following interest may fall within the issues to be addressed in the investigation:

“...the various risks associated with the unavailability of some or all of the planned energy and capacity from Muskrat Falls.”

The above noted Requests deal with physical risks of the Muskrat Falls development which could affect the availability and reliability of the planned energy and capacity from Muskrat Falls and are therefore within the scope of the current proceeding.

16. Requests numbered DD-NLH-042 and DD-NLH-044 deal with the issue of third party reliability. Mr. Dumaresque states he does not intend to contact the Insurance Company that covers the Holyrood Generating Plant, but rather believes the Request will provide an understanding of the level of reliability shown by third parties in this matter.
17. Request DD-NLH-059 also deals with the issue of third party reliability. Mr. Dumaresque states that information regarding the existence and particulars of insurance policies for the Muskrat Falls Project is relevant in assessing the degree of confidence the insurance company has in these projects, which speaks to reliability.

DATED at the City of Mount Pearl, in the Province of Newfoundland and Labrador, this 29th day of August, 2014.



William S. Kennedy

Counsel for Danny Dumaresque

6 Mount Carson Avenue
Suite 201, The Dorset Building
P.O. Box 250
Mount Pearl, NL A1N 2C3
Telephone: (709)747-9613