

DELIVERED BY HAND

April 21, 2015

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

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

Ladies and Gentlemen:

**Re: The Board's Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System – Phase Two (the “Investigation”) – Newfoundland Power Inc. Application to Order Newfoundland and Labrador Hydro to File Full and Adequate Responses to Certain Information Requests (the “Application”)**

**A. Introduction**

The Application seeks an order compelling Newfoundland and Labrador Hydro (“Hydro”) to file full and adequate responses to certain information requests (the “RFIs”). The Application was supported by an affidavit of Elias Ghannoum, an expert in transmission engineering (the “Ghannoum Affidavit”). The Ghannoum Affidavit provides evidence indicating that the information sought is required to permit an independent evaluation of risks to reliable electricity supply to Newfoundland Power’s customers following the interconnection of the Muskrat Falls project.

Hydro opposes the Application.

This letter is Newfoundland Power’s reply to Hydro’s submission of April 13, 2015 in opposition to the Application.

**B. Context**

Following the interconnection of the Muskrat Falls project, Hydro plans to decommission its Holyrood Thermal Generating Station (“Holyrood”) located on the Avalon Peninsula. Power currently supplied by Holyrood will be substantially replaced by supply via existing or planned transmission lines, including the 1,100 km Labrador-Island Link.



The Labrador-Island Link will traverse difficult terrain, including the Long Range mountains and the isthmus of Avalon. Hydro has indicated that its "...objective (is) to limit the repair duration to two weeks"<sup>1</sup> for ice related transmission failures and that it considers the two week repair time "a reasonable repair time" compared to past transmission failures.<sup>2</sup> However, electrical system events in 2013, 2014, and 2015 have clearly shown that supply shortages of much less than two weeks can cause significant distress for Newfoundland Power's customers.

Given these circumstances, a full understanding of the transmission risks associated with supply to the Avalon Peninsula is necessary as part of the evaluation of the risks to reliable electricity supply on the island of Newfoundland following the interconnection of Muskrat Falls.

### C. Meeting the Appropriate Disclosure Standard

#### *Full Disclosure*

The responses to the RFIs provided by Hydro to date do not provide Newfoundland Power with sufficient information to evaluate the reliability of the electricity supply on the island of Newfoundland following the interconnection of Muskrat Falls. Full disclosure of the information requested in the RFIs would help provide required transparency for Phase II of the Investigation.

Hydro's responses to the RFIs do not permit the transparent evaluation of the risks involved. Considered with other information, some responses actually reduce transparency.

One example of this involves the ice loading criteria chosen for the section of Labrador-Island Link on the Avalon Peninsula. In the responses to the RFIs filed by Hydro, it is indicated that this section of the Labrador Island Link which is designed for ice loading of 75mm (3.0") was evaluated against CSA 500-year ice loadings.<sup>3</sup> Other information, however, indicates that, for the Avalon Peninsula, transmission line designs to an ice loading of 75mm (3.0") are consistent with only a 50-year return period.<sup>4</sup>

#### *Efficient Regulatory Process*

The Board has received comments from three intervenors, besides Hydro, concerning the Application. Each supports the Application. This, in turn, indicates that the disclosure sought in the Application would be consistent with efficient regulatory process.

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<sup>1</sup> See the response to Request for Information GRK-NLH-033, page 1, lines 11-15.

<sup>2</sup> See the response to Request for Information PUB-NLH-299, page 1, lines 7-9 and page 4, lines 9-12.

<sup>3</sup> See the response to Request for Information NP-NLH-004, page 2, line 18 and Table 1.

<sup>4</sup> See Exhibit 85: *Reliability Study of Transmission Lines on the Avalon and Connaigre Peninsulas* filed in *Review of Two Generation Expansion Options for the Least-Cost Supply of Power to Island Interconnected Customers for the Period 2011 – 2067*.



***Avoidance of Undue Burden***

The Ghannoum Affidavit provides evidence that the types of information which have been requested in the RFIs are commonly used by transmission engineers to evaluate reliability, should be readily available, and exist in easily transmittable electronic format. Hydro has not challenged this evidence in any way. Accordingly, the Board may conclude that the disclosure requested in the Application will not create an undue burden on Hydro.

**D. Concluding**

An order from the Board compelling Hydro to provide the information outlined in the Application would, based upon the record before the Board, (i) achieve full disclosure, (ii) aid in an efficient regulatory process, and (iii) not pose an undue burden on Hydro.

For these reasons, together with those set out in Newfoundland Power's letter of March 20, 2015 concerning the Application, the Board should make the order requested.

Yours very truly,



Peter Alteen, QC  
Vice President,  
Regulation & Planning

Enclosures

c. Geoffrey Young  
Newfoundland and Labrador Hydro

Thomas Johnson  
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Paul Coxworthy  
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