

From: Cathy White [REDACTED]
Sent: January-23-14 1:19 PM
To: Cheryl Blundon
Subject: Re: Holyrood maintenance deliberately cancelled - Cathy White
Importance: High

I do wish to participate in the intervention process by forwarding to you a letter which I wrote to the CEO of NL Hydro along with an earlier letter written to my M-H-A, David Brazil, with a copy to the Premier.

The contents of these letters prove that more than \$3.4 million was removed from the Capital Budget Application for 2013 – funds that had been identified for necessary maintenance and upgrades to the Holyrood generating station. This, despite having been warned by General Electric that the equipment at Holyrood is “obsolete” and required needed upgrades.

The reason given for the decision not to proceed with the work at Holyrood was the “sanctioning of Muskrat Falls”. I find this abhorrent. I am further appalled that the PUB allowed this to happen.

Please include my letters to NL Hydro and my letter to David Brazil as my submissions to the PUB’s investigation.

I would appreciate your confirmation of the fact that these letter are in the appropriate format for submission to the inquiry. If they are not, I will be happy to print them out and mail them to you.

[REDACTED]

Cathy White

[REDACTED]

TO: NL HYDRO

January 14, 2014

by email

**Regarding: your inability to generate adequate electricity to meet customer needs
January 2014**

I have just read a letter written by your senior legal counsel on December 18, 2012 and which was addressed to the Public Utilities Board of this province. This letter notifies the PUB that four major upgrades to the Holyrood generating plant which are outlined in your Budget Application for 2013 have been cancelled. The rationale given: "...the sanctioning of the Muskrat Falls project."

As you know, the letter to which I refer can be found at this web site:

<http://www.pub.nf.ca/applications/NLH2013Capital/files/application/NLH-2013CB-ProjectsWithdrawnDec18-12.pdf>

(See copy below)

As a rate payer and tax payer in this Province, I would like to know whether the decision to which your letter refers – the decision to cancel upgrades to the Holyrood generating plant - led to the inadequate generation capacity at Holyrood which directly resulted in the electricity blackouts which started on January 2nd of this year – a full two days before the fire at the Sunnyside substation. Additionally, I would like to know what your legal counsel, Mr. Young, meant by the sentence: "These are all Holyrood Thermal Generating Station projects and are being **withdrawn** from Hydro's 2013 [Budget] application **due to refinements and changes in the anticipated deployment of Holyrood with the sanctioning of the Muskrat Falls project.**"

Without further clarification from your legal counsel, this letter – available to the public online – would be interpreted by most readers to mean that your company deliberately cancelled needed maintenance and upgrading to the Holyrood plant due to the **"the sanctioning of the Muskrat Falls project."**

I note that your 2013 Capital Budget Application to the PUB dated January 9th, 2013 – a mere 22 days following the letter questioned here – states on page 4 of 22:

The Intervenors have indicated a level of concern as to the sufficiency of information provided as to Hydro's

plans as to the deployment of Holyrood in the coming years as its role evolves. Although some aspects of these plans

have been becoming more determinable in the last year, until the sanction decision was made and the level of design

was refined to pass through Decision Gate 3, a number of issues surrounding Holyrood's role remained undecided.

Hydro is now, however, in a position to ascertain this information with a reasonable level of certainty and intends

to provide the information sought by the Board and Intervenors over the coming months. Hydro therefore proposes

that it provide the information required under Board Order No. P.U. 5(2012) with its next capital budget filing.

Ref: <http://www.pub.nf.ca/applications/nlh2013capital/files/corresp/NLH-FinalSubmission-Jan09-13.pdf>

The “sanction decision” clearly refers to “the sanctioning of the Muskrat Falls project....” mentioned in your December 18, 2012 letter to the PUB – and is the subject of my request for an answer to the question: **Did NL Hydro decide to delay, cancel or otherwise abandon needed upgrades to the Holyrood generating plant because Muskrat Falls was given the ‘green light’ by the Dunderdale administration?**

Gentlemen, this question is now the subject of public debate on open line radio programs, web blogs, Facebook web pages and Telegram editorials. The people of this province want to know whether our current safety, comfort and security was compromised because of a deliberate decision to stop investing in existing generating infrastructure at Holyrood – years before Muskrat Falls will come online.


NALCOR’s Winter 2012 online publication “Outlet” - “*Behind-the-scenes team makes sure the lights come on – and stay on in the future*” – provocatively promotes its expertise at forecasting energy needs in this province. <http://www.nalcorenergy.com/uploads/file/outlet%20-%20winter%202012.pdf> Proclaiming “...[our] team forecasts what Newfoundland and Labrador will need for energy this year, next year, in 10 years, in 20 years, even 50 years down the road...” and “We have to make sure on the coldest day, on the peak day, that we have enough generation to keep everyone’s lights on.” your parent company has bitterly failed 190,000 customers. Two people have died; one of carbon monoxide poisoning, the other of hypothermia. Business owners and home owners have incurred major losses – losses which your team should have been able to predict and prevent.

The public needs to know whether your January 2013 Capital Budget Application meant to address “...Holyrood....**as its role evolves..**” or **devolves**. My research leads me to conclude that you intended the latter. Please prove me wrong.

I await your earliest possible reply.

Sincerely,

Cathy White



c.c. Mr. Andy Wells, Public Utilities Board of NL
Mr. David Brazil, M-H-A, Conception Bay East – Bell Island

YOUR LETTER TO THE PUB:

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

December 18, 2012

To: 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: Newfoundland and Labrador Hydro - 2013 Capital Budget Application

Please be advised that **Hydro is withdrawing four projects from its 2013 Capital Budget Application.** These are all Holyrood Thermal Generating Station projects and are being **withdrawn** from Hydro's 2013 application **due to refinements and changes in the anticipated deployment of Holyrood with the sanctioning of the Muskrat Falls project.** Hydro provided information to the Intervenor's earlier today as to these projects being withdrawn.

The projects that Hydro is withdrawing are:

- Page C-8 - Upgrade Governor Controls on Units 1 and 2 - Holyrood;
- Page C-20 - Upgrade Vibration Monitoring System - Holyrood;
- Page D-2 - Install Cold-Reheat Condensate Drains and High Pressure Heater Trip Level Unit 3 - Holyrood; and
- Page D-84 - Install Fire Protection Upgrades - Holyrood.

We ask that you please contact the undersigned if there are any questions or comments on this matter.

Yours truly,
Geoffrey P. Young,
Senior Legal Counsel

cc: Gerard Hayes - Newfoundland Power
Thomas Johnson - Consumer Advocate
Paul Coxworthy - Stewart McKelvey Stirling Scales
Dean Porter - Poole Althouse

From: Cathy White [mailto:]
Sent: Monday, January 13, 2014 5:03 PM
To: David J. Brazil
Cc: premier@gov.nl.ca; SteveKent@gov.nl.ca; DerrickDalley@gov.nl.ca; tjohnson@odeaearle.ca; NL Public Utilities Board; Andy Wells; info@nalcoreenergy.com
Subject: Holyrood maintenance deliberately cancelled
Importance: High

January 13, 2014

Dear Mr. Brazil;

You are my elected representative in the House of Assembly.

I am shocked and appalled to learn that Nfld. Hydro deliberately cancelled routine maintenance at Holyrood – money earmarked to keep that electrical generation facility functioning – *after* your government gave Muskrat Falls the green light. The proof can be found by reading the research, below.

See the following references:

1. A series of letters from Newfoundland Hydro and the final 2013 capital budget.

The budget can be seen at: <http://www.pub.nf.ca/applications/nlh2013capital/files/corresp/NLH-FinalSubmission-Jan09-13.pdf>

It includes lines stating:

"On December 18, 2012, following the sanctioning by the Province of the Muskrat Falls project, Hydro **withdrew four Holyrood projects as future plans for the Holyrood facility had been refined** since Hydro's initial Capital Budget Application."

2. An earlier letter to the board can be found here:

<http://www.pub.nf.ca/applications/nlh2013capital/files/corresp/NLH-ProposedPhaseIandIIProjects-Jan07-13.pdf>

It outlined the changes, saying:

"Enclosed are the 2013 Capital Budget Application project proposals split into Phases I and II, as described below.

The overall total has been reduced due to the removal of projects pertaining to Holyrood as well as the cancellation of Rewind Generator Units 1 and 2. This was a multi-year project approved as part of Board Order No. P. U. 5 (2012) for \$11.9 million of which \$1,107,600 was to be spent in 2013. The amounts removed from the 2013 Capital Budget Application are as follows:

Rewind Generator Units 1 and 2 \$1,107,600; Upgrade Governor Controls on Units 1 and 2 \$1,455,500;

Upgrade Vibration Monitoring Equipment \$519,900; Install Cold Reheat Condensate Drains Unit 3 \$50,000;

Install Fire Protection Upgrades \$267,200;

Total: \$3,400,200."

Mr. Brazil, **this is proof that your government deliberately cancelled routine maintenance and upgrading at Holyrood due to the decision to redirect our tax dollars to Muskrat Falls.**

An analogy: *Since I will purchase a new car in 2017, I will stop maintaining my current automobile with respect to routine maintenance, brakes, purchases of new tires, etc.*

Your government's negligent decision resulted in **lives lost** due to carbon monoxide poisoning and hypothermia. The elderly were removed from a senior's residence in the middle of a cold and stormy night. Thousands – including me – suffered ruptured water pipes and high repair bills from plumbers, who are expensive.

Most importantly, the manner in which your administration managed the recent blackout crisis has resulted in major **loss of confidence**

in the Dunderdale government, Newfoundland Hydro, Nalcor, and indeed their ability to manage the Muskrat Falls project.

If you cannot or will not maintain the Holyrood generating station, why should I, the rate payer, trust you with an \$8-billion project?

I await your reply.

Cathy White

