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March 15, 2017

The 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: Investigation and Hearing into Supply and Power Outages on the Island's
Interconnected System – Phase Two – The Liberty Consulting Group Report**

Enclosed please find the original and twelve (12) copies of the Consumer Advocate's Requests for Information numbered CA-PUB-052 to CA-PUB-068.

A copy of this letter, together with enclosure, has been forwarded directly to the parties listed below.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,



Dennis Browne, Q.C.
Consumer Advocate

/bb

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Mr. Larry Bartlett (larry.bartlett@teck.com)

1 **IN THE MATTER OF**
2 the *Electrical Power Control Act, 1994*,
3 SNL 1994, Chapter E-5.1 (the “EPCA”)
4 and the *Public Utilities Act*, RSNL 1990,
5 Chapter P-47 (the “Act”), as amended; and
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7 **IN THE MATTER OF** the Board’s Investigation
8 and hearing into Supply Issues and Power Outages
9 on the Island Interconnected System and
10 The Liberty Consulting Group Report dated
11 February 27, 2017

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION**

CA-PUB-052 TO CA-PUB-068

Issued: March 15, 2017

1 CA-PUB-052

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In reference to the Liberty Report, please provide a formal definition of Hyrdo's Expected Unserved Energy (EUE) and indicate the extent to which that metric is used by other electric utilities.

- 1 CA-PUB-053 (a) While Liberty is satisfied with the reliability of Hydro's IIS
2 hydraulic units, is there any risk with respect to availability of
3 water from Hydro's reservoirs?
- 4 (b) In particular, is Liberty aware of any assumptions made by
5 Hydro in that regard and, if so, is Liberty in agreement with
6 those assumptions?

1 CA-PUB-054

2 Liberty (pp.12-15) has indicated that reliability of the Stephenville
3 and Hardwoods CTs is particularly low and states (p.30) that “It is
4 very likely they will have to be replaced, and likely sooner than later.”
5 However, Liberty states (p.32) that “New pre-Muskrat Falls supply
should not be pursued further at this time.”

6 Please clarify whether replacement of the Stephenville and
7 Hardwoods CTs constitutes new pre-Muskrat Falls supply or that their
8 replacement is required regardless of Muskrat Falls.

1 CA-PUB-055 Liberty has suggested (p.28) that in light of concerns over further
2 delays Muskrat Falls supply, it makes sense for Hydro to begin the
3 planning process for a new CT.

4 (a) Is this CT new in the sense that it is not meant as a replacement
5 for Stephenville and Hardwoods but would be a net increment
6 to capacity beyond those replacements?

7 (b) Why should this new capacity be a CT rather than wind
8 capacity or demand mitigation?

1 CA-PUB-056 Given the low reliability of the Stephenville and Hardwoods CTs, has
2 Liberty investigated, or asked Hydro about, the merits of installing
3 wind generation on the Avalon peninsula as a replacement?

1 CA-PUB-057 Would not additional wind capacity on the Avalon serve to reduce the
2 demand on Holyrood, a facility that Liberty believes is less reliable
3 than Hydro indicates, and also serve to provide more capacity if the
4 LIL or TL-267 were either delayed or disrupted once in place?

1 CA-PUB-058 Hydro's ESRA deals with supply issues but does Liberty agree that
2 demand mitigation has an impact equivalent to additions to supply
3 capacity and, in many circumstances, is more economic?

1 CA-PUB-059 Does Liberty agree that in the diagram on p.27 of its report the title
2 on the vertical axis “Higher impact on the need for new capacity”
3 could be equivalently replaced with “Higher impact on the need for
4 demand mitigation”?

- 1 CA-PUB-060 (a) In preparing its evaluation of Hydro's ESRA, did Liberty
2 inquire into demand mitigation measures that Hydro may be
3 considering?
4 (b) If so, what actions did Hydro indicate that it was considering?

1 CA-PUB-061

Liberty has observed (p.5) that the penetration of electric space heating has increased the likely adverse impact of outages.

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(a) Does Liberty agree that conversions to electric heat add to peak load?

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(b) Did Liberty ask Hydro whether it was considering actions that might serve to deter further conversions from oil-furnace space heating to electric space heating and, if so, what possible actions were identified?

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- 1 CA-PUB-062 (a) Does Liberty agree that scarcity pricing, such as increasing
2 block rates, could be an effective temporary measure to reduce
3 load until reliable supply from Muskrat Falls is in place?
- 4 (b) Similarly, could extending the “Take Charge” program to
5 residents with oil-furnace space heating serve to help reduce
6 conversion to electric heat?

- 1 CA-PUB-063 (a) Regarding the 110MW of capacity from Labrador recall, is that
2 capacity's availability a constant across all seasons or does it
3 vary over the year?
- 4 (b) In particular, has Hydro confirmed that the full 110MW will
5 be available during the winter months?

1 CA-PUB-064 What is the estimated energy from the 110 MW of recall power and
2 what are the associated line losses?

1 CA-PUB-065

Liberty has noted (p.18) that consumer costs will rise due to the at
2 least doubling of rates when Muskrat Falls comes in service.

3 If such an increase in rates actually is implemented, does Liberty agree
4 that building of any new capacity before Muskrat Falls availability
5 would result in such new capacity becoming largely or completely
6 redundant once Muskrat Falls is available and therefore a further
7 burden to island ratepayers?

1 CA-PUB-066

Liberty's overall conclusion (p.32) is that no new pre-Muskrat Falls
2 be pursued at this time but remains concerned and recommends re-
3 consideration in one year or sooner.

4 Considering that new capacity will be costly burden for island
5 ratepayers, especially if Muskrat Falls availability renders it
6 redundant, does Liberty agree that Hydro should consider demand
7 mitigation actions before considering any new pre-Muskrat Falls
8 capacity?

1 CA-PUB-067

2 The Liberty Report states that if a 110 MW recall is available for
3 island needs, a Muskrat Falls delay is less threatening. There are news
4 reports that Alderon may need 60 MW – 70 MW and an expansion
5 has been announced to the Iron Ore Company of Canada facility in
6 Labrador, some 28%, which will also require some energy.

7 (a) Was Liberty aware of reports of the revitalization of the
8 Alderon Project in writing its report?

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10 (b) Was Liberty aware of the expansion announced to the Iron Ore
11 Company of Canada facility when writing its report?

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13 (c) What impacts could developing Alderon and the IOC
14 expansion have on the 110 MW recall available for island
15 needs?

1 CA-PUB-068

In 2010, according to a Nalcor Submission to the PUB, 38% of the energy available under the 300 MW recall contract was sold in Labrador, with the unused balance being sold to short-term export markets.

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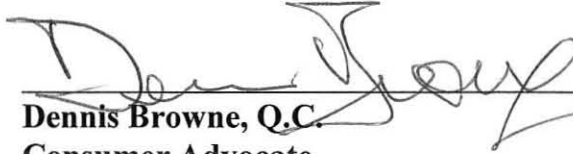
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Since that time, Wabush Mines has closed but with the plans for Alderon and the 28% expansion of IOC, what new projections has Hydro to offer to meet the demand in Labrador for the winter and what are the revised numbers in Nalcor's projections? Can Liberty please advise?

DATED at St. John's, Newfoundland and Labrador, this 15th day of March, 2017.

Per:



Dennis Browne, Q.C.

Consumer Advocate

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