



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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Newfoundland and Labrador Hydro

Ms. Tracey Pennell
Senior Counsel
P.O. Box 12400
St. John's, NL A1B 4K7
E-mail: traceypennell@nlh.nl.ca

Newfoundland Power Inc.

Mr. Gerard Hayes
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6
E-mail: ghayes@newfoundlandpower.com

Industrial Customer Group

Mr. Paul Coxworthy
Stewart McKelvey Stirling Scales
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
E-mail: pcoxworthy@stewartmckelvey.com

Consumer Advocate

Mr. Dennis Browne, Q.C.
Browne Fitzgerald Morgan & Avis
Terrace on the Square, Level 2
P.O. Box 23135
St. John's, NL A1B 4J9
E-mail: dbrowne@bfma-law.com

Grand Riverkeeper Labrador, Inc.

Ms. Roberta Frampton Benefiel
Box 569, Station B
Happy Valley-Goose Bay, NL A0P 1E0
E-mail: rebnfl@gmail.com

Mr. Danny Dumaresque

213 Portugal Cove Road
St. John's, NL A1B 2N5
E-mail: danny.liberal@gmail.com

Dear Sirs/Madams:

Re: Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System – Phase Two – Availability of Requested Information

In its letter of January 31, 2017 the Board expressed concerns in relation to the status of the ongoing work to prepare for interconnection. The Board noted that while interconnection with Muskrat Falls had been delayed until 2019-2020, some of the outstanding work might take some time to complete. The Board stated that it was critical that the required work be undertaken to ensure the reliability and adequacy of supply upon interconnection. The Board advised that Liberty would be asked to prepare a list of issues and related critical outstanding information. In its letter of May 3, 2017 the Board set out the issues and the information to be provided by Hydro, with a request for Hydro to advise when the information would be available.

On May 15, 2017 Hydro filed its response to the Board's direction. On May 26, 2017 and July 5, 2017 Hydro filed additional information. The Board is concerned that much of the requested information will not be available for some time, and that filing dates were not provided in relation to several items. For example:

- i) No date was provided for the provision of information with respect to the commercial arrangements for the purchase of recall power and energy and use of the necessary transmission facilities. Hydro identified that first power transfer over the Labrador Island Link (“LIL”) is expected in Q3, 2018. It is noted that the Board’s conclusion in its May 12, 2017 letter that no immediate steps were necessary to reduce the risks to adequate and reliable supply on the Island Interconnected system as currently configured was based, in part, on Hydro’s planned reliance on the availability of recall power prior to interconnection.
- ii) A first draft of the emergency restoration plans for the LIL, which Hydro contemplates utilizing in 2018, will not be available until November 2017.
- iii) No date was provided for the filing of information with respect to the emergency power and reserve sharing arrangements with Atlantic Canadian utilities.
- iv) The planning criteria applicable following interconnection will not be provided until Q4, 2018.
- v) Discussions are ongoing in relation to opportunities for near term supply from Nova Scotia Power and New Brunswick Power but are not expected to conclude until Q4, 2017.
- vi) A number of studies related to supply from the Muskrat Falls Generating Station are not scheduled to be completed until 2018.
- vii) The requested updated post Muskrat Falls interconnection energy supply assessment, which Liberty noted in its August 2016 report (page 87) was underway with expected completion in 2016, appears to have been replaced with a proposal to provide annual generation capability updates following interconnection.
- viii) Hydro’s reply with respect to four items was unclear requiring the Board to seek further clarification in its letter of July 19, 2017.

While the Board appreciates that the Muskrat Falls interconnection is a complex project with an extended schedule, the Board reiterates that the requested information must be provided on a timely basis to allow the Board to assess the adequacy and reliability of supply for the Island Interconnected System and whether additional measures may be required, both before and after interconnection. The Board believes that immediate additional reporting by Hydro is required and ongoing monitoring may be necessary.

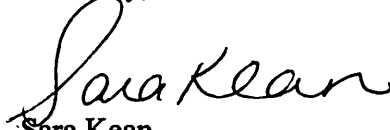
As a first step, the Board requests Hydro to file by August 4, 2017 a detailed Integrated Project Schedule setting out all activities required to ensure successful transition to operations (see Liberty’s August 19, 2016 report, pages 93-94). To allow the Board to fully understand the nature of the necessary work and the planning for and completion of this work, Hydro should also file the associated underlying data, including the following information, regarding the transition schedule:

- A listing of all scheduled activities, together with baseline start and finish dates as well as the current forecasted start and finish dates
- Indicators of the status of each task vis-à-vis the critical path
- Resources associated with each task, as and if loaded into the schedule
- Sample schedule reports being used by transition team management
- Key assumptions underlying the schedule

Upon receipt of the requested information, the Board will provide further direction on any additional reporting and monitoring activities that it determines may be necessary.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,



Sara Kean
Assistant Board Secretary

SK/tr

ecc **Newfoundland and Labrador Hydro**
Mr. Geoff Young, E-mail: gyoung@nlh.nl.ca
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
Mr. Ian Kelly, Q.C., E-mail: ikelly@curtisdawe.com
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
Industrial Customer Group
Mr. Dean Porter, E-mail: dporter@poolealthouse.ca
Consumer Advocate
Mr. Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com
Ms. Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com
Ms. Bernice Bailey, E-mail: bbailey@bfma-law.com
Vale Newfoundland and Labrador Limited
Mr. Denis Fleming, E-mail: dfleming@coxandpalmer.com
Grand Riverkeeper Labrador, Inc.
Mr. Philip Raphals, E-mail: Philip@centrehelios.org
Ms. Prunelle Thibault-Bédard, E-mail: prunelletb@gmail.com