



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2024-01-26

Shirley Walsh
Senior Legal Counsel, Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application
Approval of the Construction of Hydro's Long-term Supply Plan for Southern Labrador -
To NLH - Further Clarification**

Further to the Board's correspondence to Hydro dated January 3, 2024 requesting clarification on the proposal of a conditional approval for the construction of Hydro's long term supply plan for Southern Labrador, and Hydro's reply to this correspondence dated January 12, 2024, the Board requires further clarification and asks Hydro to address the following questions:

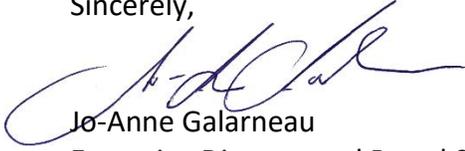
- (i) **Page 1, i.** Hydro states: "Having received approval of the project, once the conditions have been met no further process would be necessary other than providing confirmation of the condition fulfillment to the Board."
 - (a) Does Hydro agree that if the result of the proposed conditions being met leads to either a change in the scope of the project or a change in the financials of the project, or both, further process should be required?
 - (b) If Hydro does agree, what process or options are available to the Board to review the resulting changes? If Hydro does not agree, please explain why not.

- (ii) **Page 1, i.** Hydro states: "If only partial approval were provided and further process was necessary after the initial non-construction work, there would be substantial risk to the schedule currently in place to complete the project, further delaying services to the region and likely increasing the project costs due to the delay." If the Board was to approve specific parts and expenditures of the project, providing partial approval, would this allow Hydro sufficient certainty to progress the project while it continues its ongoing consultation with NunatuKavut Community Council ("NCC")?

- (iii) Page 2-3, iii.**
- (a) Please provide a detailed description of the work that Hydro proposes would be completed prior to the proposed conditions being met, as well as a detailed breakdown of the estimated cost commitment of \$10 million associated with the listed planning, design and procurement work.
 - (b) Please explain why these aspects of the project are required to meet the duty to consult.
- (iv) Page 2, ii.**
- (a) Please provide a detailed description of the construction and commissioning work that would not be undertaken prior to the proposed conditions being met, as well as a detailed breakdown of the estimated costs.
 - (b) Hydro states “Hydro notes that the estimated costs are noted in Hydro’s application, and are estimates based on the current schedule.” Please provide the reference.
- (v) Page 3-4, vi.**
- (a) Does Hydro believe that the Board is the appropriate adjudicator to determine if the duty to consult for this project has been met?
 - (b) If NCC does not agree that the duty to consult has been met, what process will Hydro follow to bring the details to the Board to request a determination that the condition has been met?
- (vi) Page 6, x.** Hydro states “ ...Hydro would transfer the costs incurred up to that date from work in progress into a newly defined and approved deferral account for future recovery from customers.”
- (a) Please explain why, if the proposed conditions are not met, Hydro should be granted approval to defer the expended costs for possible future recovery from customers?
 - (b) Why should the risks associated with Hydro not meeting its proposed conditions be borne by the ratepayers?
- (vii) Page 6, xii.** Hydro states certain of the work required to submit the project for environmental assessment is also required for the duty to consult process.
- (a) Please explain why the work is required for the duty to consult.
 - (b) Please provide, if able, a breakdown of the costs which are necessary for the duty to consult process vs. submitting the project for environmental assessment.
- (viii) Page 7, xiv.** Please provide the proposed Schedule A for clause 1 and a proposed schedule for the expenditures for clause 2.
- (ix) Page 2, ii, footnote 3.** Please confirm that the correct reference in this footnote is “Long-Term Supply for Southern Labrador-Revision 2,” dated October 5, 2023.

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,



Jo-Anne Galarneau
Executive Director and Board Secretary

JG/cj

ecc **Newfoundland and Labrador Hydro**

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