

1 Q. **Reference: Application, Attachment 1, Page 19, Lines 2 - 5**

2 On Page 19 at Lines 2 - 5, Hydro states:

3 There are currently four diesel generating stations operating in the southern
4 Labrador region and based on economies of scale it would suggest that it could
5 be more economically feasible to minimize the number of facilities. A reduction
6 in the number of diesel generating stations would inherently decrease the
7 overall operating and maintenance costs in the region.

8 Pursuant to section 38 of the *Public Utilities Act*, has Hydro provided notice to the communities
9 of Charlottetown, St. Lewis and Mary's Harbour of its intention to retire, dismantle and/or
10 remove the existing diesel generating stations from their communities? Please summarize any
11 feedback received from each of these municipalities. When does Hydro anticipate applying to
12 the Board for its approval to remove these diesel stations?

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15 A. Newfoundland and Labrador Hydro ("Hydro") consulted with key stakeholders, including the
16 communities of Charlottetown, St. Lewis, and Mary's Harbour, with respect to Hydro's plan to
17 interconnect the communities of southern Labrador. Information was provided with respect to
18 the alternatives considered and the timing, as well as the identification of the alternative Hydro
19 has proposed through its application. The feedback received is summarized in Hydro's responses
20 to PUB-NLH-016 and LAB-NLH-004.

21 Section 38 of the *Public Utilities Act* ("Act") precludes a utility from "...abandoning a part of its
22 line, or works, after they have been operated, or discontinue a service ..." without notice to, and
23 written consent of, the Board of Commissioners of Public Utilities which is predicated on notice
24 to any interested incorporated municipal body.

25 Hydro is not discontinuing a service and, at this time, Hydro is not abandoning any part of its
26 works. It is possible to reuse some assets from the decommissioned generating station, such as
27 gensets, radiators, and exhaust, in other locations but this would be determined on a case-by-
28 case basis depending on condition and remaining life of the assets. The communities of

1 Charlottetown and Pinsent’s Arm are currently being served through mobile generation
2 following the fire that occurred at the Charlottetown Diesel Generating Station in 2019. This was
3 and is a temporary configuration acting as an interim solution. The proposed application is to
4 continue to provide service, through an interconnection. The mobile generating units will not be
5 abandoned, but will instead be utilized to support Hydro’s operation in the region and could be
6 deployed for peaking or during an emergency event.

7 Additionally, as detailed in Hydro’s response to PUB-NLH-014, the existing units in the plant in
8 Port Hope Simpson will likely be utilized to replace other units which have reached end-of-life.

9 The diesel generating stations in Mary’s Harbour and St. Lewis are due for retirement in 2030
10 and 2045, respectively. Hydro’s application is not proposing to interconnect these communities
11 in this proposed Phase 1. Instead, those communities would be interconnected in future phases
12 scheduled to coincide with the retirement date of the existing assets.

13 If Hydro determines that as part of any of the phases of the proposed interconnection any of its
14 works will be abandoned, Hydro will make an application pursuant to Section 38 of the *Act* at
15 that time.