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July 7, 2022

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro - 2022 Capital Budget Supplemental
Application for Approval of Various Supplemental Capital Projects at the Holyrood
Thermal Generation Station**

On June 6, 2022, Newfoundland and Labrador Hydro (“Hydro”) submitted an application (the “Application”) to the Board of Commissioners of Public Utilities (“the Board”) requesting approval of various supplemental capital projects at the Holyrood Thermal Generating Station (“Holyrood”). By letter dated June 10, 2022, the Board set today as the deadline for comments on the Application. These are Newfoundland Power’s comments.

Holyrood represents approximately one quarter of the total Island Interconnected System (“IIS”) generating capacity. With the planned addition of the Muskrat Falls Project, Holyrood was initially planned to transition from a generator to post-steam operation in 2017. On February 4, 2022, Hydro advised the Board that it would be extending Holyrood’s readiness to operate to March 31, 2024, approximately 7 years beyond the initial schedule.

Maintaining Holyrood as a reliable source of generating capacity on the IIS remains necessary due to continued delays in the commissioning of the Labrador Island Link (“LIL”) transmission line from Muskrat Falls to the Avalon Peninsula. Continued uncertainty regarding what, if any, role Holyrood will have in the future also affects the extent to which Holyrood is maintained up to and beyond March 31, 2024.

In the Application, Hydro seeks approval of an estimated \$7.7 million in capital expenditures to support the reliable and safe operation of Holyrood at full generation capacity until at least March 31, 2024. Newfoundland Power has reviewed the Application and Hydro’s responses to Requests for Information and concludes that the capital expenditures proposed are necessary for Holyrood to continue to be available to supply the IIS for the indicated timeframe. A failure to maintain Holyrood without a reliable alternative source of electricity supply has the potential to lead to extended outages for Newfoundland Power customers.

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 693-3206 • FAX (709) 737-2974 • dfoley@newfoundlandpower.com

For these reasons, Newfoundland Power supports Hydro's Application. However, Newfoundland Power observes that the continued need to incur capital expenditures to maintain Holyrood without a complete understanding of its purpose or role beyond 2024 is both concerning to Newfoundland Power and costly for customers.

If you have any questions, please contact the undersigned.

Yours truly,



Dominic Foley
Legal Counsel

cc. Shirley Walsh
Newfoundland and Labrador Hydro

Paul Coxworthy
Stewart McKelvey

Denis J. Fleming
Cox & Palmer

Shawn Kinsella
Teck Resources Limited

Dennis Browne, Q.C.
Browne Fitzgerald Morgan Avis & Wadden

Sheryl Nisenbaum
Praxair Inc.

Dean Porter
Poole Althouse

Senwung Luk
Olthuis Kleer Townshend LLP