

December 14, 2021

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: Allowance for Unforeseen Capital Expenditures Monthly Reporting

Further to the Board of Commissioners of Public Utilities' letters of May 24, 2013 and January 29, 2015, enclosed please find Newfoundland and Labrador Hydro's expenditures report setting out all capital expenditures made in relation to the Allowance for Unforeseen Items to the end of November 2021.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley Walsh
Senior Legal Counsel, Regulatory
SAW/kd

Encl.

ecc: **Board of Commissioners of Public Utilities**
Jacqui H. Glynn
PUB Official Email

Newfoundland and Labrador Hydro
Allowance for Unforeseen Expenditures
For the Period January 1, 2021 to November 30, 2021

	Port Hope Simpson Engine Replacement ¹ (\$)	Supplementary Amount for Unforeseen ² (\$)	Holyrood Unit 3 Boiler Tube Failure ³ (\$)	Holyrood T2 Replacement ⁴ (\$)	Total ⁵ (\$)	Balance (\$)	Comments
Approved Allowance						1,000,000	See Board Order No. P.U. 2(2021)
Expenditures							
January	-	-	-	-	-	1,000,000	
February	(5,270)	-	-	-	(5,270)	994,730	
March	(102,730)	-	-	-	(102,730)	892,000	
April	-	-	-	-	-	892,000	
May	-	108,000	-	-	108,000	1,000,000	See Board Order No. P.U. 17(2021)
June	-	-	-	-	-	1,000,000	
July	-	-	-	-	-	1,000,000	
August	-	-	-	-	-	1,000,000	
September	-	-	-	-	-	1,000,000	
October	-	-	(1,404,864)	-	(1,404,864)	(404,864)	
November	-	-	(755,397)	(69,518)	(824,915)	(1,229,779)	
December	-	-	-	-	-	(1,229,779)	
Total	(108,000)	108,000	(2,160,261)	(69,518)	(2,229,779)	(1,229,779)	

¹ On September 14, 2020, Newfoundland and Labrador Hydro ("Hydro") notified the Board of Commissioners of Public Utilities ("Board") of capital requirements at Port Hope Simpson in response to failure of the engine portion of genset Unit 2099. The final report was filed with the Board on March 23, 2021, which estimated a total project spend of \$112,700. The costs in this Allowance for Unforeseen report reflect actuals and no further costs are expected in relation to this project.

² In Board Order P.U. 17(2021), released on May 20, 2021, the Board approved the addition of a supplementary amount of \$108,000 to the 2021 Allowance for Unforeseen Items Account.

³ On October 12, 2021, Hydro notified the Board that it would be utilizing the Allowance for Unforeseen Items account to complete capital work at Holyrood Thermal Generating Station in response to failure of boiler tube 5 on Unit 3. This work was completed on November 21, 2021. In accordance with the Capital Budget Application Guidelines, Hydro's final report on this work will be filed with the Board no later than December 21, 2021.

⁴ On November 19, 2021, Hydro notified the Board that it would be utilizing the Allowance for Unforeseen Items account to complete capital work at Holyrood Thermal Generating Station in response to failure of Unit 2 transformer ("T2"). On November 24, 2021, Hydro filed additional correspondence advising the Board of early cost estimates and schedule in relation to the work. In accordance with the Capital Budget Application Guidelines, Hydro will file its final report within 30 days of completion of the work.

⁵ On November 24, 2021, Hydro filed an application with the Board proposing the continued recording of the variance above the \$1.0 M Allowance for Unforeseen Items approved in Board Order P.U. 17(2021), associated with the expenditures related to the Holyrood Unit 3 boiler tube failure and the Holyrood T2 replacement, for which Hydro would file a future application for recovery. Additionally, Hydro sought approval of a supplemental amount of \$1.0 M to be utilized as a new unforeseen allowance for any future emergency capital expenditures.