

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 9(2018)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1
3 (the “*EPCA*”) and the *Public Utilities Act*,
4 RSNL 1990, Chapter P-47 (the “*Act*”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for an
9 Order approving, pursuant to section 41 of
10 the *Act*:

11 (a) its 2018 capital purchases and
12 construction projects in excess
13 of \$50,000;

14 (b) its 2018 Capital Budget; and

15 (c) its estimated contributions in
16 aid of construction for 2018;
17 and
18

19 **IN THE MATTER OF** Order No. P.U. 43(2017)
20 in relation to Newfoundland and Labrador Hydro’s
21 2018 Capital Budget application; and
22

23 **IN THE MATTER OF** the proposed Muskrat Falls
24 to Happy Valley-Goose Bay Interconnection project
25 which was deferred pursuant to Order No. P.U. 43(2017).
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27

28 **Application**
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30 On July 27, 2017 Newfoundland and Labrador Hydro (“Hydro”) filed its 2018 Capital Budget
31 application for approval of its annual capital budget and capital purchases and construction projects
32 in excess of \$50,000. One of the projects proposed in the application involved the addition of a
33 new transmission section from Muskrat Falls to Happy Valley-Goose Bay. The work in relation to
34 this project was scheduled to begin in 2018 and finish in 2019 with a total estimated cost of
35 \$19,978,500.¹ In Order No. P.U. 43(2017) the Board found that the evidence did not demonstrate

¹ The proposed expenditure was \$17,731,500 in 2018 and \$2,247,000 in 2019 as set out at page 11 of Order No. P.U. 43 (2017).

1 that the proposed project was necessary and consistent with the least-cost provision of service and
2 deferred consideration of the project until the filing of further information by Hydro.²

3
4 On January 29, 2018 Hydro filed revised information related to the Muskrat Falls to Happy Valley-
5 Goose Bay Interconnection project, pursuant to Order No. P.U. 43(2017).³

6
7 On February 16, 2018 Newfoundland Power Inc. (“Newfoundland Power”) filed comments.

8
9 On February 16, 2018 a group of Island Industrial customers: Corner Brook Pulp and Paper
10 Limited, NARL Refining Limited Partnership, and Vale Newfoundland and Labrador Limited (the
11 “Industrial Customer Group”) advised that it had no comments in relation to the revised
12 information filed by Hydro.

13
14 On February 16, 2018 the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and
15 Labrador City (the “Labrador Interconnected Group”) filed an application for intervenor status as
16 well as submissions in relation to the Muskrat Falls to Happy Valley-Goose Bay Interconnection
17 project.

18
19 On February 16, 2018 the Iron Ore Company of Canada (“IOC”) filed an application for intervenor
20 status as well as submissions in relation to the Muskrat Falls to Happy Valley-Goose Bay
21 Interconnection project.

22
23 On February 22, 2018 Hydro filed comments in relation to the application of the Labrador
24 Interconnected Group and IOC for intervenor status submitting that the applications should be
25 denied.

26
27 On February 23, 2018 the Consumer Advocate, Dennis Browne, Q.C., (the “Consumer Advocate”)
28 filed comments fully supporting the intervenor applications of both the Labrador Interconnected
29 Group and IOC.

30
31 On February 26, 2018 the Labrador Interconnected Group filed reply submissions in relation to its
32 application for intervenor status.

33
34 On March 2, 2018 the Board wrote the parties to advise that both the Labrador Interconnected
35 Group and IOC would be granted intervenor status.

36
37 On March 6, 2018 the Board scheduled a meeting with the parties and Board staff to facilitate
38 timely information exchange in relation to the Muskrat Falls to Happy Valley-Goose Bay
39 Interconnection project given Hydro’s assertion that the timelines for construction and completion
40 for 2018 were quickly approaching. Hydro provided additional written information in advance of
41 the meeting and on March 7, 2018 the Board advised that this information had been placed on the
42 record.

² The Board made a similar finding with respect to a second project but following the filing of additional evidence by Hydro the Board issued Order No. P.U. 5(2018) approving that project.

³ A revised report was filed on January 31, 2018 to enhance image quality of the figures contained therein with no changes to technical content.

1 On March 8, 2018 further information requests were issued to Hydro by the Board and the
2 Labrador Interconnected Group.

3
4 On March 13, 2018 Hydro filed responses to the additional information requests.

5
6 On March 15, 2018 the Labrador Interconnected Group, IOC and the Consumer Advocate filed
7 comments and Newfoundland Power advised that it did not have comments in addition to its
8 February 16, 2018 comments.

9
10 On March 16, 2018 Hydro filed a reply submission.

11 **Submissions**

12
13
14 The Labrador Interconnected Group submitted that Hydro had not met the onus set out in Order
15 No. P.U. 43(2017) and that, in particular, Hydro had not provided sufficient information in relation
16 to the longer term needs of the Labrador Interconnected system and the role of the proposed
17 interconnection project in meeting those needs.⁴ The group noted that, over the course of less than
18 a year, the load forecast for 2020 had increased from 73.3 MW to 93.9 MW. The Labrador
19 Interconnected Group argued that given the lack of information on file there is no basis to conclude
20 that the data center load growth of 7.6 MW will remain on the system and further that it is unclear
21 how much of the 12.5 MW demand from the Department of National Defense base (“DND”) will
22 materialize. The group suggested that the variability in the forecasted load and price elasticity of
23 the data centers are unclear and that there is no reasonably reliable information about DND’s load
24 requirement and that there may be some flexibility in the DND plan. According to the Labrador
25 Interconnected Group further analysis of the data center market considering the role of other large
26 consumers is required to meaningfully plan for the capital needs of the Labrador Interconnected
27 system. The Labrador Interconnected Group believes that the proposed upgrade is large compared
28 to the need, as it results in a capacity of 104 MW which is not forecast until 2042. According to
29 the Labrador Interconnected Group better information, especially in regard to data centers and the
30 DND load, is required before committing to the project. Further the construction of a major capital
31 project should be done as part of a long-term plan in which Labrador communities are consulted
32 with respect to the economic development initiatives to achieve greater certainty in terms of
33 expected demand.

34
35 The Labrador Interconnected Group explained that it is interested in reliable electrical services at
36 least cost and capital developments that promote system reliability and that the group is keenly
37 aware of the role that low-cost power and predictable system planning play in attracting economic
38 development. The group suggested that there may be a number of alternatives to the Muskrat Falls
39 to Happy Valley Interconnection project. The group noted the lack of evidence in relation to load
40 profiles, opportunities for DND curtailment or other demand-side measures and energy storage.
41 According to the Labrador Interconnected Group the decision to rule out mobile diesel units was
42 premature and further detailed costs were not provided. The group stated:

⁴ Labrador Interconnected Group Submission, February 16, 2018.

1 Given the many uncertainties that remain unresolved, we submit that it might be wiser to incur an
2 additional cost in the short-term in order to avoid unnecessarily incurring a much larger cost.⁵
3

4 The Labrador Interconnected Group submitted that given the many questions the Board should not
5 approve the proposed project and asked that Hydro be required to undertake an accelerated
6 planning and consultation process with stakeholders and prepare to meet the capacity shortfall that
7 might occur using mobile diesel units.
8

9 On March 15, 2018, following the March 6, 2018 meeting and the filing of the additional
10 information by Hydro, the Labrador Interconnected Group filed a further submission arguing that
11 the Board should defer approval of the Muskrat Falls to Happy Valley-Goose Bay Interconnection
12 project. According to the Labrador Interconnected Group this would permit consideration of
13 policies designed to protect existing consumers from costs caused by large new loads as well as
14 the completion of the transmission system planning study for Labrador that Hydro intends to
15 complete by the end of 2018. The group stated:
16

17 While at certain junctures in the life of an electrical system, infrastructure investments are
18 necessary, those investments should take place in the context of a well thought-out plan for the
19 needs of the system.⁶
20

21 The Labrador Interconnected Group noted that, while the justification for the project in Hydro's
22 January 25, 2018 filing was load growth, Hydro had begun to frame the justification as being one
23 of reliability.
24

25 In relation to load growth the Labrador Interconnected Group submitted that the potential to exceed
26 the 77 MW load limit is attributable directly to the new data center loads. The group noted that the
27 actual duration of peak events is very brief and suggested that transient peaks could easily be
28 reduced through judicious load management. The group stated:
29

30 In our view, failure to take load durations into account in the planning process will inevitably lead
31 to overbuilding the system, with important cost consequences that would be borne by our citizens.⁷
32

33 The Labrador Interconnected Group submitted that demand management programs may resolve
34 the capacity constraint and suggested either voluntary load constraints or mandatory curtailment
35 provisions in new service agreements. In the view of the Labrador Interconnected Group the Board
36 has the authority to order Hydro to pursue curtailment policies to protect the adequacy of supply
37 and to promote the stated power policy of the Province. The group pointed out that on average
38 between 2013 and 2017 a customer in Happy Valley-Goose Bay experienced about 8.4
39 interruptions of service each year, with a total duration of 20.66 hours, and suggested that the
40 length of the curtailment associated with new service agreements would likely be less. The
41 Labrador Interconnected Group noted that Hydro has not approached the data center customers to
42 determine whether they would be amendable to such curtailment.

⁵ Labrador Interconnected Group Submission, February 16, 2018, page 9.

⁶ Labrador Interconnected Group Submission, March 15, 2018, page 2.

⁷ Labrador Interconnected Group Submission, March 15, 2018, page 8.

1 In relation to reliability the Labrador Interconnected Group stated that, while significant load
2 reduction might be necessary if there is a transformer outage on the 138 kV line linking Happy
3 Valley-Goose Bay to Churchill Falls, it would not cut off power supply to Labrador East. The
4 group noted that the risk of a transformer failure has been a feature of the system for decades. The
5 group stated:

6
7 Thus, the worst-case consequences of deferring the reliability improvements by one year, while
8 serious, could no doubt be managed through aggressive load management efforts, likely including
9 curtailment of the blockchain customers.⁸

10
11 The Labrador Interconnected Group stated that it is undeniable that the Muskrat Falls to Happy
12 Valley-Goose Bay Interconnection project would bring some reliability improvements but there is
13 a balance to be struck between reliability and the impact on rates and this balance must also account
14 for the role of system planning and policies that protect the integrity of the electrical system.

15
16 The Labrador Interconnected Group noted that Hydro has not sought any guarantees from data
17 center customers or any long term commitment contracts, though data centers are relatively mobile
18 businesses. The group noted that there is currently no formal mechanism to address circumstances
19 such as this where non-industrial load takes up a significant share of transmission and generation
20 capacity and is increasing so rapidly. The Labrador Interconnected Group submitted that new
21 policies are necessary to address the challenges posed by blockchain data center customers and
22 that it intends to pursue this issue in Hydro's general rate application proceeding. According to the
23 Labrador Interconnected Group by deferring this project until after the establishment of a network
24 addition policy the Board will be able to attribute an appropriate portion of the costs of the new
25 infrastructure to the new customers. The group referenced section 6 of the *EPCA* and submitted
26 that deferring the project until adequate planning occurs is entirely appropriate. The Labrador
27 Interconnected Group submitted that the Board should:

- 28
29 1. Defer approval of the project until Hydro's next capital budget application.
30
31 2. Order Hydro to pursue necessary demand-side measures for all data center customers
32 exceeding 0.5 MW capacity.
33
34 3. Order Hydro to refrain from entering any power contracts for which it does not have
35 sufficient transmission capacity.
36
37 4. Order Hydro to file its Labrador transmission planning study as soon as practicable, earlier
38 than fall 2018.
39
40 5. Require that Hydro submit a network addition policy for the Board's approval prior to its
41 next capital budget application.
42

43 In its February 16, 2018 submission, IOC supported the detailed submissions of the Labrador
44 Interconnected Group and raised concerns related to the project schedule. IOC stated:

⁸ Labrador Interconnected Group Submission, March 15, 2018, page 11.

1 The other issue to be considered by the Board is the risks associated with such a lumpy addition to
2 the Labrador transmission network. Inasmuch as expansion fosters economic development, it
3 should be welcomed. On the other hand, if it serves no load or if the load is not secured over the
4 long term and if NLH has no financial guarantees to secure the required income, the addition of
5 such significant stranded assets will unduly penalize existing customers, large and small, and
6 cripple Labrador's chance of attracting additional customers.⁹
7

8 In a subsequent submission filed on March 15, 2018 IOC recommended that the Board reject the
9 proposed Muskrat Falls to Happy Valley-Goose Bay Interconnection project and stated:
10

11 Labrador customers seek to benefit from sustainable economic growth in Labrador as well as an
12 adequate continuity of service. The proposed MFA-HVY line fails to meet both objectives.¹⁰
13

14 IOC stated that it is not against reliability but this project is too expensive. According to IOC
15 section 54 of the *Act* provides the tools to protect all Labrador customers from the irreparable harm
16 caused by the proposed Muskrat Falls to Happy Valley-Goose Bay Interconnection project. IOC
17 submitted that the application to approve this project raises policy questions such as the need for
18 equitable treatment of customers, including incumbent customers. According to IOC while
19 Hydro's justification for the project was essentially driven by load growth, the load of DND is not
20 secured, and the remaining load growth comes from a highly contentious category of customers.
21 IOC stated that it strongly believes that Hydro should find a shorter term solution. IOC also noted
22 that Hydro's stated focus moved from load growth to reliability.
23

24 The Consumer Advocate filed comments on March 15, 2018 noting that the submissions of the
25 Labrador Interconnected Group and IOC were thorough. In the Consumer Advocate's view the
26 Board should consider section 54 of the *Act* given the particular concerns of IOC, the largest
27 private sector employer in the province, and the cost implications to the Labrador Interconnected
28 Group. The Consumer Advocate submitted that approval of Hydro's request should be contingent
29 on a clear direction instructing Hydro to submit a network addition policy for approval.
30

31 Newfoundland Power submitted that it had reviewed the additional information submitted by
32 Hydro in support of this project and that it was satisfied that Hydro had established that it should
33 proceed with construction of the project to address forecast load growth in the Upper Lake Melville
34 area.¹¹ Newfoundland Power also submitted that the feasibility of maintaining the Happy Valley
35 gas turbine and transmission line L1301 over the longer term should be more fully examined before
36 further significant expenditures on these assets are approved. Following the March 6, 2018 meeting
37 and the filing of the additional information and responses to the further requests for information,
38 Newfoundland Power advised that it did not have additional comments.
39

40 Hydro, in its February 22, 2018 reply, submitted that much of the substantive objection raised by
41 the Labrador Interconnected Group and IOC related to rate impacts which could be addressed in
42 its ongoing general rate application. In Hydro's view no new issues had been raised. Hydro
43 submitted that, based on the revised information which it filed and Newfoundland Power's support,
44 the Board has ample evidence on which to approve the project.

⁹ IOC Submission, February 16, 2018, page 2.

¹⁰ IOC Submission, March 15, 2018, page 4.

¹¹ Newfoundland Power Submission, February 16, 2018.

1 In its March 16, 2018 reply Hydro argued that it had demonstrated that the system cannot withstand
2 the loads forecast for existing customers for the coming winter and that the significant reliability
3 concerns of the transmission system have been compounded with an immediate need for action.
4 Hydro submitted that the information provided on March 6, 2018 showed that reliability in
5 Labrador East is dramatically worse than other areas in Labrador and on the Island. Hydro stated:
6

7 Hydro feels it necessary to underscore that the Project provides an improvement in reliability by a
8 factor of almost 10 for the comparatively low and reasonable capital cost (as compared to the
9 previously possible alternatives) of \$20 million.¹²

10
11 Hydro argued that the pending network addition policy should have no impact on the justification
12 for the project which is justified on the basis of existing reliability concerns and on the fact that
13 the transmission system cannot support the forecast loads for existing customers. If the project is
14 deferred, in Hydro's view, curtailment of the existing connected data center load would not
15 alleviate the reliability concerns of the system. Hydro confirmed that it did not have discussions
16 with the data center customers in relation to elasticity but stated that it "strains credibility" to
17 suggest that these customers will be driven away given the current low rates in Labrador. Hydro
18 acknowledged the issues surrounding the data center customers and section 54 of the *Act* but
19 submitted that these issues should not impact approval of this project. Hydro also argued that the
20 timing of the Labrador West Transmission Planning Study planned for the fall of 2018 should not
21 be changed as sufficient time is required to ensure that the analysis is robust and that appropriate
22 cost estimates are developed for the various alternatives. Hydro concluded:
23

24 Hydro has provided evidence to show that the Project is not only prudent from a least-cost reliable
25 service standpoint, but urgently required to avoid a reliability issue in Labrador East regarding the
26 supply of electricity for winter 2018/2019. Hydro emphasizes that in its view, all parties have been
27 amply informed of the importance of the Project proceeding and the risks to the Labrador East
28 electrical system in the near term should it be denied.¹³
29

30 **Board Findings**

31
32 In Order No. P.U. 43(2017) the Board deferred consideration of the proposed Muskrat Falls to
33 Happy Valley-Goose Bay Interconnection project on the basis that the evidence did not
34 demonstrate that the project was necessary and consistent with the least-cost provision of service.
35 Thereafter Hydro filed additional information, participated in a meeting with the parties and Board
36 staff, and answered further information requests. Despite this additional information exchange the
37 Labrador Interconnected Group and IOC, both representing customers on the Labrador
38 Interconnected system, opposed the approval of this project at this time. Further the Consumer
39 Advocate supported the submissions of the Labrador Interconnected Group and IOC. While
40 Newfoundland Power accepted that the project should be approved to meet forecast load growth,
41 it set out concerns in relation to future capital spending in relation to existing assets.
42

43 The Board notes that while the parties appear to agree that the proposed project would improve
44 reliability in Labrador East, they do not all agree that the proposed approach strikes the appropriate

¹² Hydro Submission, March 16, 2018, page 3.

¹³ Hydro Submission, March 16, 2018, page 6.

1 balance between reliability and the impact on rates. Hydro's position is that the proposed Muskrat
2 Falls to Happy Valley-Goose Bay Interconnection project is urgently required to avoid reliability
3 issues in Labrador East and that the capital cost of the project is "low and reasonable," as compared
4 to earlier alternatives. In contrast IOC submitted that this project was too expensive and the
5 Labrador Interconnected Group submitted that the worst-case consequences of deferring reliability
6 improvements by one year, while serious, could be managed through aggressive load management
7 efforts. The Board notes the magnitude of this project both relative to the size of the Labrador
8 Interconnected system and the potential impact on customer rates. In particular the proposed
9 expenditure associated with this project of \$19,978,500 is substantial relative to the forecast 2018
10 rate base for the Labrador Interconnected system of \$122,463,885.¹⁴ Further the estimated impact
11 of this project on customer rates is 3.1% in 2018 and 7.6% in 2019.¹⁵ At the same time the Board
12 acknowledges that the load in Labrador East is increasing and the existing transmission system
13 consists of a radial transmission line which is 269 km long with identified reliability issues.
14

15 The Board has reviewed the additional information provided by Hydro, bearing in mind the
16 potentially significant consequences on customers - both in terms of reliability and rates. Based on
17 the record it appears that, despite the size of the forecast load increase relative to the existing loads
18 on the system and the costs associated with addressing this increase, Hydro has not completed a
19 comprehensive plan to address load growth and reliability on the Labrador Interconnected system.
20 In particular Hydro did not demonstrate that it has explored options to manage load in the context
21 of additional demand. Hydro admitted that it did not discuss load curtailment with existing and
22 prospective customers, despite the potential benefits in relation to transient or short duration peaks.
23 Further Hydro does not appear to have considered alternatives to protect existing customers from
24 the risks of significant stranded costs given the relative size and nature of the new customers,
25 especially in light of the concerns in relation to the impact of price elasticity.
26

27 In terms of reliability Hydro did not address the planning criteria for the Labrador Interconnected
28 system, or the condition and estimated life of the assets to be replaced. In addition the reliability
29 data provided by Hydro does not demonstrate that there has been recent deterioration in reliability
30 on the system. As noted by the Labrador Interconnected Group reliability issues associated with
31 the risk of transformer failure have been a feature of the Labrador Interconnected system for
32 decades. In addition, while reliability performance in Labrador East is not as good as it is on some
33 other systems in the province, the information provided by Hydro suggests that reliability
34 performance is not significantly different than other systems in the province in similar
35 circumstances, including other radial lines.
36

37 As a part of the application for approval of such a significant project Hydro is required to
38 demonstrate that it conducted appropriate planning for the system in a comprehensive manner
39 which would include development of reasonable planning criteria, identification of needs on the
40 system and assessment of reasonable alternatives. This planning must address both Labrador East
41 and Labrador West as they are both part of the Labrador Interconnected system. In addition, Hydro
42 would be expected to address its obligation to provide least cost reliable service, considering the

¹⁴ According to the evidence provided in Hydro's ongoing 2017 general rate application, Vol 3, Ex. 14, Sch. 1.1, page 2, the forecast 2018 rate base for the Labrador Interconnected system is \$122,463,885 which would reflect the 2018 impact on rate base of the approval of this project.

¹⁵ CA-NLH-166, Hydro's 2017 general rate application.

1 impact on existing customers of meeting new loads which may affect adequacy or reliability on
2 the system. Hydro acknowledged that it could apply to the Board to be relieved of its obligation to
3 serve but argued that, while this issue is important, it should not impact the approval of the
4 proposed project. The Board does not accept this position and believes that Hydro should address
5 this issue before this project is approved. Further the Board notes that the alternatives which were
6 presented by Hydro did not meet the same reliability standard in that several of the options
7 presented would result in significant system upgrades. For example three alternatives included the
8 addition of a second line and another included a 60 MW generator to provide full system backup.
9 Hydro did not address the fact that the proposed project would result in a new radial line which
10 would not, as configured, have full backup. Hydro also did not provide details in relation to the
11 mobile diesel generation alternative. The Board finds that Hydro failed to demonstrate that this
12 project is justified based on an appropriate planning exercise and expansion plan for the Labrador
13 Interconnected system.

14
15 While it is Hydro's position that this project is urgently required to avoid reliability issues in
16 Labrador East, the Board finds that Hydro has failed to provide the information necessary to show
17 the basis on which Hydro reached this conclusion. Hydro has the burden to show that the proposed
18 project is reasonable and necessary to ensure the continued provision of a safe and reliable
19 electricity supply. Hydro was provided an opportunity to meet this burden initially through the
20 2018 Capital Budget Application process and then through a more specific process which
21 highlighted the concerns of the parties and the issues to be addressed. Nevertheless, having
22 reviewed the information provided, the Board finds that there are several significant issues related
23 to this project and planning for the Labrador Interconnected system which have not been
24 adequately addressed by Hydro.

25
26 The Board is persuaded by the arguments of the Labrador Interconnected Group, representing the
27 majority of the communities in Labrador East, and IOC that this project should be deferred until
28 further information is provided by Hydro. This information should include:

- 29
30 1. An expansion study for the Labrador Interconnected system (both Labrador East and
31 Labrador West) for a reasonable planning horizon, which addresses: i) planning criteria,
32 including a discussion of the current reliability concerns and future reliability criteria; ii)
33 base load forecasts and sensitivities; iii) expansion plans to meet the various load forecast
34 scenarios; iv) the condition of existing assets and an estimate of remaining life; v) cost
35 benefit analysis of the alternatives; and vi) estimated projected rate impacts associated with
36 the proposed expansion scenarios.
- 37
38 2. A network addition policy setting out how new customers will be treated in regards to their
39 impact on the system and how costs will be allocated among customers for reliability,
40 economic, transmission, and load upgrades, either in the cost of service or through
41 contributions in aid of construction.

42
43 While Hydro has failed to establish that the proposed Muskrat Falls to Happy Valley-Goose Bay
44 Interconnection project should be approved at this time, the Board acknowledges that deferral of
45 consideration of this project may raise reliability concerns in Labrador East for 2018/2019.
46 Therefore the Board will require that Hydro provide, by April 16, 2018, a plan in relation to how

1 it intends to provide reliable service in Labrador East in 2018/2019. In addition, Hydro will be
2 required to provide by April 30, 2018, a proposal in relation to the process and timelines for the
3 provision of the additional information necessary for a full consideration of the Muskrat Falls to
4 Happy Valley-Goose Bay Interconnection project.
5
6

7 **Costs**
8

9 The Labrador Interconnected Group requested an opportunity to make submissions on costs given
10 the importance of the Muskrat Falls to Happy Valley-Goose Bay Interconnection project and the
11 fact that they participated responsibly. The group argued that it is the only party representing the
12 interests of Labrador customers, and that it restricted its participation to the Muskrat Falls to Happy
13 Valley-Goose Bay Interconnection project, which, if approved, would have a drastic impact on
14 Labrador rates and would represent a crucial piece of the planning for the Labrador Interconnected
15 system. As this matter is ongoing, the parties may apply for an award of costs at the end of this
16 proceeding.
17
18

19 **IT IS THEREFORE ORDERED THAT:**
20

- 21 1. Hydro shall file on or before April 16, 2018 a proposed plan in relation to the provision of
22 reliable service in Labrador East in 2018/2019.
23
- 24 2. Hydro shall file on or before April 30, 2018 a proposal in relation to the process and timelines
25 for further consideration of the Muskrat Falls to Happy Valley-Goose Bay Interconnection
26 project.

DATED at St. John's, Newfoundland and Labrador, this 23rd day of March, 2018.



Darlene Whalen, P. Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



Cheryl Blundon
Board Secretary