

1 Q. **Re: PUB-NLH-050, page 1; Letter of Nov. 30, page 4**

2 Citation:

3 In order to maintain the possibility of completing the planned 2018 work, Hydro has
4 commenced the engineering required to support the issuance of tenders for long
5 lead equipment. At this point it is critical to advance the detailed design so that
6 engineering can be completed and tenders for construction contracts prepared.
7 These activities are critical to support a June construction start, which is essential
8 given the short Labrador construction season. Hydro is in a position to award a
9 contract to start the detailed design, and is awaiting Board approval in order to
10 award that contract. Originally, Hydro’s plan had detailed engineering beginning at
11 the end of February. At this point, any further delay in starting this critical design
12 element puts pressure on the completion date. If approval is granted around Friday,
13 March 16, 2018, Hydro expects to achieve the in-service date of the
14 interconnection, and the increase in capacity to Labrador East.

15

16 Preamble:

17 Table 4 in the letter of Nov. 30 indicates that, with planning, design and
18 procurement beginning in February 2019, the project could be commissioned by
19 September 2020.

20

21 What is the latest date by which the PUB can approve the MFHVI in order to have
22 construction of the MFHVI complete by December 2019? Please provide an
23 explanation as to why this date was chosen.

24

25

26 A. Completion of the scope of the Muskrat Falls to Happy Valley Interconnection
27 project (the “Project”) by December 2019 is not possible. The only aspect of the
28 Project that can be completed by this timeline is the transmission line extension

2018 Capital Budget Application – Muskrat Falls to Happy Valley Interconnection Project**Page 2 of 2**

1 and the associated modifications of the Muskrat Falls Terminal Station. Although
2 the remaining aspects of the Project are required, completion of the transmission
3 interconnection by December 2019 will improve reliability and increase capacity for
4 the winter of 2019-2020. In Newfoundland and Labrador Hydro’s “Muskrat Falls to
5 Happy Valley Interconnection Update” letter, filed with the Board of Commissioners
6 of Public Utilities on November 30, 2018, the current proposed Project Budget
7 Estimate and Project Schedule was revised to reflect a new proposed start date of
8 February 15, 2019. Therefore, approval of the Project will be required by February
9 15, 2019 for an in-service of the interconnecting transmission line by December
10 2019 and Happy Valley Terminal Station commissioning by October 2020. This
11 milestone date was chosen based on the schedule analysis and required timeline to
12 complete the Project as provided in the November 30, 2018 letter.