

1 Q. **Reference: Attachment 1- Long-Term Supply for Southern Labrador - Economic and Technical**  
2 **Assessment**

3 Can the Southern Labrador proposal be delayed one, three, or five years? If so, what would be  
4 the cost of the delay for each of the three scenarios assuming a minimal amount of investment  
5 to maintain the safe, reliable operation of the existing Charlottetown mobile diesel  
6 arrangement?

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9 A. The existing supply configuration for customers previously served by the Charlottetown Diesel  
10 Generating Station was implemented as an interim solution and has safety and reliability issues  
11 which must be addressed. As such, a planned short-term deferral of the regional  
12 interconnection for 1, 3, or 5 years would result in Newfoundland and Labrador Hydro (“Hydro”)  
13 having to make a material capital investment of at least \$10.4 million<sup>1</sup> to mitigate the risks  
14 associated with the previously-noted deficiencies and ensure reliable long-term operation.<sup>2</sup>  
15 Taking this approach would be akin to choosing Alternative 1, which is not the least-cost  
16 alternative to provide reliable service. Any planned deferral is therefore counter to Hydro’s  
17 legislative obligation to operate in a manner that will result in the lowest possible cost  
18 consistent with reliable service.

19 Please refer to Hydro’s response to PUB-NLH-001 for a complete summary as to why Hydro is  
20 proposing regional interconnection of southern Labrador at this time.

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<sup>1</sup> Class 5 estimate.

<sup>2</sup> The scope of the work required to upgrade the existing mobiles in Charlottetown is described in “Long-Term Supply for Southern Labrador – Phase 1,” Newfoundland and Labrador Hydro, July 16, 2021, sch. 1, att. 1, sec. 4.1, pp. 22–23.