

IN THE MATTER OF the *Electrical Power Control Act, 1994*, RSNL 1994, Chapter E-5.1 (the “*EPCA*”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (the “*Act*”), and regulations thereunder; and

IN THE MATTER OF the 2023 Capital Budget Application (the “Application”), filed by Hydro.

SUBMISSIONS OF THE LABRADOR INTERCONNECTED GROUP

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Introduction

1. The Labrador Interconnected Group (the “LIG”) represents the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City. These communities are all part of the Labrador Interconnected System. The LIG will not oppose Hydro’s proposed Capital Budget (the “Budget”). However, the LIG respectfully requests that the Board not make a final determination about changes in Hydro’s planning practices (described below) in this Application, but that it instead reserve judgement until such time as it can review these changes as a whole.

Procedural history and background

2. Hydro submitted its Capital Budget Application (the “Budget”) to the Board for approval on July 13, 2022. Among other things, Hydro seeks the Board’s approval for \$90.8 million in capital expenditures for 2023. This is comprised of single-year programs and projects for 2023, 2023 expenditures for multi-year proposals commencing in 2023, and 2023 expenditures for programs and projects approved in previous capital budget applications.

3. Included in the Budget are proposals to upgrade the Wabush Terminal Station, which are estimated to cost \$1.6 million, and transformer capacity at the Jean Lake Terminal Station (the “Jean Lake Upgrade”), estimated to cost \$0.6 million in 2023, and \$6.0 million total.
4. These upgrades are required to accommodate increases in load served by the Jean Lake Terminal Station. Hydro included the proposed Jean Lake Upgrade in a prior Transmission Expansion Study. This upgrade was necessitated, at least in part, because of changes in the reliability standard or rating that Hydro and/or the Newfoundland and Labrador System Operator (“NLSO”) applies to the Jean Lake Terminal Station (see, e.g. LAB-NLH-005, p. 2, rows 3-5).

The Technical Conference

5. On August 10, 2022, representatives of the LIG participated in Hydro’s Technical Conference. They inquired about the specific load request leading to the requirement for additional transformation capacity at the Jean Lake Terminal Station, as proposed in the Budget. Hydro noted that this increase in load is driven by incremental load growth, including requests from Transport Canada for service at the Wabush Airport.
6. The LIG asked Hydro to reconcile this information with LAB-NLH-002, which Hydro filed as a response to a request for information from the LIG regarding Transport Canada’s requests. In this response, Hydro stated: “[t]here are no additions or modifications required to the transmission system in order to supply this load to Labrador West. It is possible that modifications to the distribution system will be required in order to provide an additional 825 kW to the Wabush Airport. This analysis will be conducted if the exemption application is approved as it would otherwise be unnecessary.”
7. Hydro committed to follow up on this apparent discrepancy. It provided the following response:

In Hydro's proposal for Additions for Load - Wabush Substation Upgrades project included in Hydro's 2021 CBA, Hydro provided a load forecast dated May 2019, which indicated that the station design would accommodate system growth until 2039–2040, at which time both spare Transformers T4 and T6 would require replacement with one larger unit. In 2021, Hydro's Annual Planning Assessment indicated that load growth had accelerated, and that the loss of the largest Transformer, T1, at the Jean Lake Terminal Station would result in the overload of the remaining transformers within the ten-year, long-term planning horizon. To address the accelerated load growth, transformer capacity upgrades would need to be proposed in Hydro's 2023 or 2024 CBA. Transport Canada's load request for 825 kW solidified the need for additional transformation capacity, and Hydro therefore included the Additions for Load Growth - Upgrade Transformer Capacity in its 2023 CBA.

Hydro's response to LAB-NLH-002 was provided in the context of the 230 kV transmission assets that interconnect the Labrador West electrical system with the Churchill Fall's Terminal Station, which serves as the source of power for the region, as transfer capacity constraints on the 230 kV system formed the basis for Regulation 17. In its response, Hydro did not reference potential impacts to the 46 kV transmission system. As these are considered transmission assets as defined in Hydro's Network Additions Policy, Hydro's response to LAB-NLH-002 was incomplete and should have considered impacts on the 46 kV Transmission system as well as impacts to the 230 kV transmission system, including advancement of previously planned upgrades.

8. The LIG requested further clarification in its requests for information.

The LIG's requests for information

9. LIG submitted six requests for information. LAB-NLH-005(a) requested information about whether the Board has ever “explicitly approved the changes in Hydro’s planning criteria that were described in the Transmission Expansion Study” (see above, para. 4). Hydro responded saying that “Newfoundland and Labrador Hydro (“Hydro”) has not explicitly put forward its transmission planning criteria for the Board of Commissioners of Public Utilities (“Board”) approval, rather, these criteria form the basis of Hydro’s planning practices.”

The LIG's position

10. The LIG does not object to the Budget. However, the LIG respectfully requests that the Board not make a final determination about Hydro's planning practices described above in paragraph 9 and in LAB-NLH-005 in this Application. Rather, the LIG respectfully requests that the Board reserve judgement about these changes until such time as it can review these changes as a whole.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

DATED at Toronto, Ontario, this 21st day of November, 2022.

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