

May 18, 2016

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon, Director of Corporate Services and Board Secretary

Ladies and Gentlemen:

Re: An Application by Newfoundland and Labrador Hydro pursuant to Subsection 41(3) of the Public Utilities Act for the approval of the Replacement of the lower reheater boiler tubes on Units 1 and 2, and additional reliability improvements at the Holyrood Thermal Generating Station (the "Application")

In relation to the above Application, the Consumer Advocate wishes to comment on the De-rating of the Holyrood Plant. In reply to PUB-NLH-001, Hydro states that once the lower tube replacements are complete, the reheaters will be restored to a higher unit loading. Currently, the reheaters are the load limiting components of Units 1 and 2, with a maximum output of 120 MW.

Hydro is uncertain at present of the extent of the de-rated capacity on a go forward basis and has retained an external consultant to determine if the de-ratings indicated by its review of boilers thus far are appropriate or if additional changes in unit ratings are required. As reported in PUB-NLH-001, the preliminary results of Hydro's review indicates de-ratings from 490 MW on a go forward basis.

The Consumer Advocate shares the concern expressed by Newfoundland Power in its May 16, 2016 submission on this issue as the prospect of de-rating the Holyrood Plant is a new development on the Island Interconnected System. The Consumer Advocate agrees with Newfoundland Power that as part of the Board's order on the Application, Hydro should be required to report the detailed results of all studies or reviews relating to the de-rating of the Holyrood Plant once concluded.

Further, the Consumer Advocate submits that Hydro should also report on the impact of the extent of the de-rating on winter readiness from a reliability perspective.



We trust the foregoing is found to be in order.

Yours very truly,

O'DEA, EARLE


THOMAS JOHNSON, Q.C.

TJ/cel

cc: Newfoundland Power
Attention: Mr. Gerard Hayes

Newfoundland and Labrador Hydro
Attention: Mr. Geoffrey Young

Stewart McKelvey
Attention: Mr. Paul Coxworthy

Cox & Palmer
Attention: Thomas O'Reilly, Q.C.

Praxair Canada Inc.
Attention: Ms. Sheryl Nisenbaum