

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

AN ORDER OF THE BOARD

NO. P.U. 3(2014)

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

AND IN THE MATTER OF an Investigation and Hearing into supply issues and power outages on the Island Interconnected system.

BEFORE:

Andy Wells
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

PROCEDURAL ORDER

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2
3 **WHEREAS** the Board has commenced an investigation and hearing into supply issues and
4 power outages on the Island Interconnected system in late December 2013 and early January
5 2014; and
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7 **WHEREAS** notice of the hearing and pre-hearing conference was published in newspapers in
8 areas serviced by the Island Interconnected system beginning on January 17, 2014; and
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10 **WHEREAS** the Board has engaged The Liberty Consulting Group to provide expertise and
11 assist the Board in its investigation and hearing; and
12

13 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") and Newfoundland Power Inc.
14 ("Newfoundland Power") are parties to the investigation and hearing and, at the request of the
15 Board, each filed a proposed list of issues in advance of the pre-hearing conference; and
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17 **WHEREAS** at the invitation of the Board the Consumer Advocate also filed a proposed list of
18 issues in advance of the pre-hearing conference; and
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20 **WHEREAS** the Board also received a number of other submissions and comments in relation to
21 the issues to be considered in this matter; and
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23 **WHEREAS** after publishing notice the Board received Intervenor Submissions from:
24

- 25 1. The Consumer Advocate, Thomas Johnson;
- 26 2. Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck
27 Resources Limited; and
- 28 3. Danny Dumaresque; and
29

30 **WHEREAS** the Board received written requests to make presentations at the pre-hearing
31 conference from:
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- 33 1. Keith Morgan, on behalf of NuQuest Distribution Inc.;
- 34 2. Curtis Mercer and Jack Parsons, on behalf of K&P Contracting Ltd. and Heat Seal
35 Limited;
- 36 3. Des Sullivan;
- 37 4. Peter Miles and Bernard Coffey, on behalf of the Official Opposition; and
- 38 5. David Vardy and Ronald Penney; and
39

40 **WHEREAS** on February 5, 2014 a pre-hearing conference was held in the Board's Hearing
41 Room, 120 Torbay Road, St. John's; and
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43 **WHEREAS** at the pre-hearing conference the Board heard from the parties requesting intervenor
44 status, the registered presenters, as well as other persons who requested the opportunity to make a
45 presentation during the conference; and

1 **WHEREAS** Hydro submits that the key period for the investigation and hearing should be the
2 upcoming winter periods until the Muskrat Falls generating facility is commissioned and that it
3 would be beyond the appropriate scope of this matter to address reliability after the
4 commissioning of the Muskrat Falls generating facility and the Labrador Island Link; and
5

6 **WHEREAS** Newfoundland Power, the Consumer Advocate, Danny Dumaresque, Des Sullivan,
7 Cabot Martin, Dave Vardy and Ron Penney submit that the Board should examine how
8 reliability on the Island Interconnected system will be assured after the commissioning of the
9 Muskrat Falls generating facility; and
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11 **WHEREAS** Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck
12 Resources Limited submit that all the proposed issues set out in the issues lists filed merit
13 consideration but that it is important to prioritize measures to give assurance that the
14 circumstances of December 2013 and January 2014 will not be repeated; and
15

16 **WHEREAS** a number of presentations, submissions and written comments raised other issues
17 including rolling power outages, energy efficiency and conservation, and renewable energy; and
18

19 **WHEREAS** the Board is satisfied that, to effectively assess adequacy and reliability of the
20 Island Interconnected system, it is necessary to consider planned future changes to the system;
21 and
22

23 **WHEREAS** the Board has considered the lists of issues, submissions, written comments and
24 presentations and has determined that it is appropriate and necessary to address how Hydro and
25 Newfoundland Power will ensure adequacy and reliability on the Island Interconnected system
26 over the short, medium and long-term, which will require analysis of the adequacy and reliability
27 of the system after the commissioning of the Muskrat Falls generating facility and the Labrador
28 Island Link; and
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30 **WHEREAS** the Board is satisfied that the list of issues to be addressed in this investigation and
31 hearing can be established at this time and may be amended by the Board as this matter
32 proceeds; and
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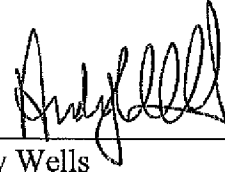
34 **WHEREAS** the Board is satisfied that the process established for this matter should ensure a
35 comprehensive review with full opportunity for interested persons to participate and should also
36 ensure that measures necessary to prepare for the 2014-2016 winter seasons are addressed as
37 soon as possible; and
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39 **WHEREAS** the Board has considered the available information and makes the following Order
40 in relation to its investigation and hearing into supply issues and power outages on the Island
41 Interconnected system.

1 **IT IS THEREFORE ORDERED THAT:**

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- 3 1. The issues to be addressed in the proceeding are established as set out in Schedule "A" to
- 4 this Order, which may be amended by letter of the Board.
- 5
- 6 2. The process is established as set out in Schedule "B" to this Order, which may be
- 7 amended by letter of the Board.
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- 9 3. The intervenors in this proceeding are as set out in Schedule "C" to this Order.
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- 11 4. The Rules of Procedure for the proceeding are as set out in Schedule "D" to this Order.

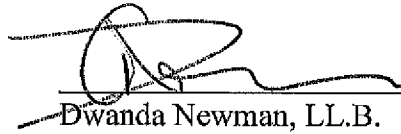
DATED at St. John's, Newfoundland and Labrador this 19th day of February 2014.



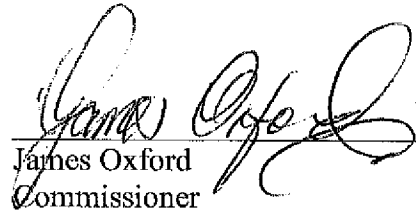
Andrew Wells
Chair & Chief Executive Officer



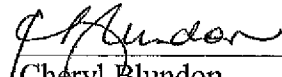
Darlene Whalen, P. Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Cheryl Blundon
Board Secretary

INVESTIGATION AND HEARING ISSUES

I. INTERIM REPORT

1. Explanation of the Island Interconnected system events that occurred in December 2013 and January 2014

- Detailed timeline of the events, setting out significant operating, equipment and other issues
- Causes and contributing factors, which may include:
 - Availability of generating units for the winter season;
 - Maintenance practices;
 - Adequacy of resources to maintain and operate equipment; and
 - Coordination between the utilities in the operation of the electrical system.

2. Evaluation of possible Island Interconnected system changes to enhance preparedness for 2014-2016

- Short and medium-term load forecasts
- Adequacy of supply to meet upcoming winter peaks
- Available options to meet 2014-2016 load, including new generation, arrangements with industrial and commercial customers, and conservation and demand reduction initiatives
- Reliability of the bulk transmission system
- Other capital or operational changes in relation to system adequacy and reliability

3. Examination of each utility's response to the power outages and customer issues

- Process for rotating power outages, including prioritization and notice
- Communications with industrial, commercial and domestic customers
- Communication and coordination between the utilities
- Utilities' outage response plans
- Identification of opportunities for improvements

II. FINAL REPORT

1. Comprehensive analysis of the Island Interconnected system events of December 2013 and January 2014

2. Evaluation of Island Interconnected system adequacy and reliability up to and after the interconnection with the Muskrat Falls generating facility

- Load forecasting methodologies
- Utility coordination of system operations and load growth planning
- Asset management strategies for generation and transmission assets, including maintenance of the Holyrood plant and the gas turbines
- Adequacy of resources to manage capital and operating programs

- 1 • New generation options and the role of conservation and demand management to
- 2 address load growth until the interconnection, including consideration of possible
- 3 delays in the interconnection
- 4 • Back-up generation and/or alternative supply requirements after interconnection
- 5 • Other system planning, capital and operational issues which may impact adequacy
- 6 and reliability before and after interconnection
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8 **3. Examination of customer communication and service enhancements**

INVESTIGATION AND HEARING PROCESS

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February to March 2014	Investigation and information gathering continues
March 24, 2014	Reports from Newfoundland and Labrador Hydro and Newfoundland Power
April 24, 2014	Interim report of The Liberty Consulting Group
May 15, 2014	Interim report of Board
June to December 2014	Public hearing process: requests for information; written and oral evidence of the utilities, intervenors and Board consultants; public presentations; and written and oral submissions (dates to be determined)
First Quarter 2015	Final report of the Board

INTERVENORS

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1. **Consumer Advocate**
Mr. Thomas Johnson
O'Dea, Earle Law Offices
323 Duckworth Street
St. John's, NL A1C 5X4
Telephone: 709-726-3524
Fax: 709-726-9600
E-mail: tjohnson@odeaearle.ca

2. **Corner Brook Pulp and Paper Limited,
North Atlantic Refining Limited and
Teck Resources**
Mr. Paul Coxworthy
Stewart McKelvey
Suite 1100, Cabot Place
100 New Gower Street
St. John's, NL A1C 6K3
Telephone: 709-722-4270
Fax: 709-722-4565
E-mail: pcoxworthy@stewartmckelvey.com

3. **Mr. Danny Dumaresque**
213 Portugal Cove Road
St. John's, NL A1B 2N5
Telephone: 709-738-2333
E-mail: danny.liberal@gmail.com

RULES OF PROCEDURE

Public Record

1. Unless otherwise directed by the Board, all documents filed with respect to this proceeding shall be placed on the public record.
2. A party may apply to the Board requesting that a document or information filed with the Board be considered confidential and should not be released or released subject to conditions set by the Board.
3. The Board is bound by the provisions of the *Access to Information and Protection of Privacy Act, RSNL 2002 Chapter A-1.1*. Documents which are determined by the Board to be confidential will be dealt with in accordance with the provisions of this legislation.

Filing of Documents

4. (1) All documents shall be filed with the Board Secretary.
- (2) Documents may be filed by:
 - (a) hand delivery;
 - (b) courier service;
 - (c) registered mail;
 - (d) electronic mail; or
 - (e) facsimile.
- (3) Filing is accomplished on the date when the Board first receives the submission, whether electronically or in paper format.
- (4) When documents are filed electronically, paper copies must be filed within 24 hours or the next business day. For those parties located outside of the St. John's area, the Board will allow 3 business days for the filing of paper copies.
- (5) All documents filed according to the scheduled dates shall be filed no later than 3:00 p.m. on the date stipulated. Documents filed after this time or on a Board holiday shall be considered as filed on the next Board business day.
- (6) All documents will have the date and time recorded when received by the Board.

Form of Documents

5. (1) Paper and electronic filings are considered official public record in this proceeding.

- 1 (2) All paper documents filed shall be prepared as follows:
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3 (a) typed, written or printed on 8½" X 11" letter size paper, 3-hole punched;
4 (b) single or double sided;
5 (c) each page shall be numbered; and
6 (d) where reasonable, each line shall be numbered.
7
8 (3) All documents filed electronically must be searchable and allow for key-word
9 searching. This will require documents to be scanned with optical character
10 recognition (OCR) or converted to OCR before they are filed with the Board.
11
12 (4) The electronic copy must be an exact copy of the original signed document,
13 including covering letters.
14
15 (5) Upon request the Board may consider filing exceptions regarding the form of
16 documents.
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18 **Revisions to Documents**
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- 20 6. (1) A party may revise any document to correct errors or to provide new information
21 before the completion of the hearing.
22
23 (2) Where all or any part of a document is revised, each revision shall indicate the
24 page(s) revised, the line(s) revised, the number of the revision (i.e. 1st revision),
25 and the date of the revision.
26
27 (3) Where all or any part of a document is revised, the document must be re-filed
28 electronically in its entirety; however, only the revised pages are required to be
29 filed in paper copy.
30
31 (4) Where a revision is made to a document the Board may, upon its own motion or
32 upon the request of another party, after receiving submissions of the parties, make
33 any order in respect of the revisions.
34

35 **Number of Paper Copies to be Filed**
36

- 37 7. Unless otherwise directed by the Board, a party filing a document with the Board shall:
38
39 (a) file with the Board Secretary one (1) original signed copy of each
40 document;
41 (b) provide twelve (12) copies of the original document to the Board; and
42 (c) serve one (1) copy of each document on the other parties.

1 **Charge for Copies**

- 2
- 3 8. (1) The Board will provide a copy of any document authored by the Board or its
4 consultants at no charge.
- 5
- 6 (2) Copies of documents originating or authored by a party should be requested
7 directly from the party.
- 8
- 9 (3) One (1) copy of the transcript for each day of the hearing will be provided to each
10 party at no cost.
- 11
- 12 (4) Copies of the Legislation can be obtained from the Queen's Printer, viewed at the
13 Board's Office, or viewed on the Board's Website at www.pub.nl.ca.
- 14
- 15 (5) The Board may charge copy fees for the cost associated with the reproduction of
16 any other document requested in accordance with the applicable legislation.
- 17

18 **Information Requests**

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- 20 9. (1) The parties shall observe the dates set for the issuance and filing of requests for
21 information ("RFIs") and dates for responses to RFIs.
- 22
- 23 (2) RFIs shall be:
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- 25 (a) labeled with the initials of the party issuing the RFI;
- 26 (b) designated so as to provide notice of to whom the RFI is directed
27 (i.e. PUB-NP-001; PUB-CA-001); and
- 28 (c) numbered consecutively with whole numbers and should not contain sub-
29 numbering such as a, b, c, or i, ii, iii.
- 30
- 31 (3) Responses to RFIs shall be:
- 32
- 33 (a) filed as individual pages; and
- 34 (b) numbered on the top right-hand corner of each page with the RFI number
35 and the page number. If the response has an attachment, the RFI number
36 and the attachment number as well as the number of pages should be
37 included on the top right-hand corner of each page.
- 38
- 39 (4) RFIs, and responses to RFIs, shall constitute part of the record in the proceeding
40 and will be considered to be evidence in the proceeding.
- 41
- 42 (5) Where directed by the Board, a party providing a response to an RFI shall make a
43 witness or witnesses available for cross-examination to speak to the information
44 provided in the response.

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2 **Service of Documents**
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4 10. The Board may direct to whom service shall be provided.
5

6 **Public Viewing**
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8 11. Interested persons may view any or all documents filed in this proceeding, except
9 confidential or private information, on the Board's website (www.pub.nl.ca), or at the
10 Board's office by contacting the Board Secretary.
11

12 **Time**
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14 12. The parties shall observe the schedule for the proceeding established by the Board as
15 amended from time to time.
16

17 13. All references to time shall be clear days, that is the first and the last day shall be
18 excluded.
19

20 **Motions**
21

22 14. (1) Motions must be filed in writing with the Board and served upon the other parties
23 two (2) days before the Motions Day.
24

25 (2) The responding parties must file with the Board and serve upon the other parties
26 response briefs one day before the Motions Day.
27

28 **Procedures for Presentation of Evidence and Cross-examination of Witnesses**
29

30 15. (1) Pre-filed testimony should be adopted as evidence by the witness in sworn
31 testimony.
32

33 (2) Direct examination should be limited to matters set out in the witness pre-filed
34 testimony. The Board may allow a witness to provide supplementary evidence or
35 may restrict direct testimony where it is irrelevant, redundant or not helpful to the
36 Board in making its decision.
37

38 (3) Direct evidence may be presented by way of a panel of witnesses where prior
39 notice has been given to the Board Secretary and the parties. When examining a
40 panel of witnesses Counsel shall put each question to a particular witness on the
41 panel. Co-counsel may examine the same witness, or panel of witnesses, provided
42 notice is given to the Board Secretary and the parties prior to the start of the cross-
43 examination of the witness.

- 1 (4) Co-counsel should not examine the same witness on the same subject matter.
2
3 (5) The party calling the witness shall be afforded an opportunity for re-direct
4 examination and all parties shall have an opportunity to pose questions in relation
5 to new matters arising from questions of the Board.
6
7 (6) A party wishing to examine or cross-examine a witness on a document that is not:
8
9 (a) already part of the record of the proceeding;
10 (b) a portion of a transcript of the witness' own prior testimony; or
11 (c) an Order of the Board;
12
13 shall file one (1) original and twelve (12) copies of the document with the Board
14 and serve one (1) copy on each party by 3:00 p.m. on the last business day before
15 the examination or cross-examination is to take place.
16
17 (7) Where the witness adopts the document it will be marked as an exhibit to his
18 testimony.
19
20 (8) Where a document was not adopted as part of the witness' testimony the
21 document may be:
22
23 a. if the parties consent, entered as a consent exhibit; or
24 b. entered as an information item.
25

26 **Other**

- 27
28 16. Unless otherwise ordered by the Board, the rules of procedure set out in *Regulation 39/96*
29 apply in this proceeding to the extent that they are consistent with these Rules.
30

31 **Exceptions**

- 32
33 17. The Board may dispense with, vary or supplement any provisions of these Rules on those
34 terms the Board considers necessary.