

DELIVERED BY HAND

May 6, 2015

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

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

Ladies & Gentlemen:

Re: The Board's Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System (the "Investigation") – Phase One Hearing

A. Introductory

The Board conducted the Phase One Hearing (the "Hearing") of the Investigation on March 30, 2015. Intervenors were provided an opportunity to participate in the Hearing and were given an opportunity to file written submissions with the Board by Monday, April 27th, 2015.

In his submission to the Board, the Consumer Advocate recommended (i) that there be a transparent means for customers with alleged critical needs to be considered being added to such lists, and (ii) that each of the utilities regularly update these lists and provide same to the Board.

This letter is Newfoundland Power's (the "Company") response to the Consumer Advocate's submission.

B. Critical Customers

The Board routinely reviews the Company's response to major electrical system events, including how service to customers is restored.¹ In the Board's Investigation, Newfoundland Power provided evidence detailing the critical customer list before the January 2, 2014 outages, as well as any changes to the critical customer list throughout the January 2-8, 2014 period.² The

¹ See the response to Request for Information CA-NP-016, page 3 of 4, lines 5-8.

² See the responses to Requests for Information CA-NP-016.

Company also provided the current list of critical customers and maps that outline the location of the electrical system that supplies power to these customers.³

The electrical system events which occurred during the January 2-8, 2014 period resulted in substantial numbers of Newfoundland Power's customers being without service for extended periods of time. The Company's priority during this period was to minimize service disruption to customers whose roles are essential to the health, safety, and welfare of the communities which the Company serves. In advance of rotating outages on January 2, 2014, the Company reviewed existing distribution feeder lists that identified these customers. These customers are referred to Newfoundland Power as "critical customers".⁴

During the course of the period January 2-8, 2014, Newfoundland Power was in continuing consultation with (i) Fire and Emergency Services, (ii) Municipal Officials in a number of communities most impacted by overall system events, (iii) police services, (iv) the Provincial Government's Power Outages Response Committee, and (v) a variety of hospitals, seniors citizens' complexes and school boards. These consultations were particularly critical during this period as the succession of major electrical equipment failures on the bulk power system created an increasingly difficult situation for Newfoundland Power's customers. The consultations during the period resulted in changes to the Company's critical customers list as the extent and nature of the outages transpired.

The Consumer Advocate agrees with Newfoundland Power's assessment that the Company's "criteria for designating critical customers are broadly consistent with both common sense and existing public utility practices."⁵ Given this, it is Newfoundland Power's view that the Board's regular reviews of the Company's response to major electrical system events and customer outages provides the appropriate transparency and accountability for ensuring the health, safety, and welfare of customers is properly managed.

The Company does not believe any further regulatory processes are required.

³ See the response to Request for Information CA-NP-017. In addition to the current list of critical customers, in the response to Request for Information CA-NP-020, the Company provided a detailed log of rotating power outages as well as maps of feeders that experienced rotating power outages over the January 2-8, 2014 period.

⁴ See the response to Request for Information CA-NP-016 for a full description of Newfoundland Power's approach to critical customers and the priority to minimize service disruption to those customers whose roles are essential to the health, safety, and welfare of the communities which the Company serves.

⁵ See page 6, line 32 to page 7, line 2 of the Consumer Advocates April 27, 2015 submission.



C. Concluding

We trust the foregoing is found to be in order.

Yours very truly,



Gerard M. Hayes
Senior Counsel

c. Geoffrey Young
Newfoundland and Labrador Hydro

Thomas Johnson, QC
O'Dea Earle Law Offices

Danny Dumaresque

Paul Coxworthy
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