Page 1 of 1

Q: Reference: Review of Newfoundland and Labrador Hydro Power Supply Adequacy and Reliability Prior to and Post Muskrat Falls Final Report, Pages 71-72, Table IV.6: Composite Island Link Bipole Reliability, and the response to Request for Information NP-NLH -139.

In the response to Request for Information NP-NLH-139 Hydro indicates that a failure rate of 0.1 failures per year per bipole should be applied and that the structural failure rate of 0.002 per year should be applied for the section of the Labrador Island Link on the Avalon Peninsula and 0.00667 per year should apply to other sections.

Based on Liberty's experience, does the response to Request for Information NP-NLH-139 provide a reasonable basis to expect the frequency of outages from the Labrador Island Link to be considerably better than the failure rates shown in Table IV.6?

A. It is Liberty's understanding that, notwithstanding Hydro's responses to NP-NLH-133 and 139, Hydro is using an average bipole failure rate of the OHL of 0.02 per 100 km per year, as recommended by SNC-Lavalin. Hydro argues that, since tower collapse is supposedly the *only* cause of an OHL bipole failure, the design return periods for tower failure (1:500 years on the Avalon and 1:150 years elsewhere) should govern (see NP-NLH-133). This would result in a far lower failure rate than the SNC-Lavalin recommended value of 0.02.

The reasonableness of this logic is moot, since Hydro is using the higher SNC-Lavalin estimate. Nevertheless, Liberty would not find Hydro's logic sufficient to justify the use of a lower failure rate in any event since (1) limiting bipole trips to only tower collapse is not necessarily a good assumption, (2) the consequences of tower collapse are so severe that a conservative approach is appropriate, and (3) we have no information or basis for which to challenge the SNC-Lavalin recommended failure rate, which is based largely on Cigre data (PUB-NLH-212, Attachment 2).