NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: gyoung@nlh.nl.ca

2018-03-08

Mr. Geoff Young
Senior Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Mr. Young:

Re: Newfoundland and Labrador Hydro - 2018 Capital Budget Application - Revised Information Pursuant to Board Order P.U. 43(2017) - Muskrat Falls to Happy Valley Interconnection - Requests for Information

Enclosed are Information Requests PUB-NLH-049 to PUB-NLH-051 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland & Labrador Hydro**
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
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Labrador Interconnected Group
Mr. Senwung Luk, E-mail: sluk@oktlaw.com

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
regulations thereunder; and

IN THE MATTER OF
an Application by Newfoundland and Labrador Hydro
for an Order approving:

1) its 2018 capital budget pursuant to s.41(1) of the *Act*;
2) its 2018 capital purchases and construction projects in excess of $50,000 pursuant to s.41(3)(a) of the *Act*;
3) its leases in excess of $5,000 pursuant to s.41(3)(b) of the *Act*;
4) its estimated contributions in aid of construction for 2018 pursuant to s.41(5) of the *Act*.

IN THE MATTER OF Order No. P.U. 43(2017)
in relation to Hydro's 2018 Capital Budget application;
and

IN THE MATTER OF additional information
filed by Newfoundland and Labrador Hydro
pursuant to Order No. P.U. 43(2017).

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION

PUB-NLH-049 to PUB-NLH-051

Issued: March 8, 2018

Muskrat Falls to Happy Valley Interconnection

PUB-NLH-049 The project justification in its entirety (Section 3.0 of the *Muskrat Falls to Happy Valley Interconnection Report – Revised January 25, 2018*) is copied below.

> *Analysis of the present 138 kV transmission system configuration serving the Upper Lake Melville area indicates that the system is capable of delivering 77 MW to the Happy Valley 25 kV bus when the system is no longer providing construction power to the Muskrat Falls Project. For load levels beyond 77 MW, system voltages will deteriorate ultimately resulting in system voltage collapse and customer outages. The projected peak load for the area is expected to increase from 79.9 MW in 2017 to 104 MW in 2042. To support load levels beyond 77 MW in the Upper Lake Melville area, the capacity of the transmission system supplying the area must be increased. Refer to Appendix A, Eastern Labrador Transmission System Planning Report.*

Although the above project justification appears to be based on load, recent discussions with Hydro indicate that the reliability of the system is a critical concern. Hydro also pointed out that the project was listed as a $75 million 2018/2019 reliability improvement project within the 5-year plan as part of Hydro's 2017 Capital Budget Application and, as such, appears to have been planned to be undertaken in the absence of the addition of the recent data centre loads and the anticipated DND load in 2020.

Please provide the justification for the project based on reliability alone. Please include any technical reports and analyses completed supporting the project on the basis of reliability.

PUB-NLH-050 When is the latest date by which Hydro requires approval of this project in order to successfully complete the transmission work for the 2018-19 winter season? If approval of the project is not received by this date, what are the available alternatives to prepare for the 2018-19 winter season and what is Hydro's recommended option?

PUB-NLH-051 According to the information provided in preparation for the March 6, 2018 meeting, the actual peak demand to date for the Happy Valley - Goose Bay area was 66.9 MW for this current 2017-18 winter season while the forecast peak demand was 79.9 MW. The explanation Hydro provided for the difference is that data centre load has yet to ramp up to operational levels (using only 1.6 MW of the anticipated 8.6 MW load commitment) and that it has been a milder winter than usual. What were the actual and forecast peak demands for the Happy Valley - Goose Bay area for the previous five years? Please explain any differences between the actual and forecast peak demands for each year.

DATED at St. John's, Newfoundland this 8th day of March, 2018.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per _____
Cheryl Blundon
Board Secretary