



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: shirleywalsh@nlh.nl.ca

2020-03-06

Shirley Walsh
Senior Legal Counsel, Regulatory
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Walsh:

Re: Newfoundland and Labrador Hydro – Reliability and Resource Adequacy Study Review - The Liberty Consulting Group Ninth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System – Release of Independent Third Party Reports

In its November 21, 2019 letter arising from Liberty's Eighth Quarterly Monitoring Report on the integration of Power Supply Facilities to the Island Interconnected System the Board requested, among other things, that Hydro immediately provide to the Board and Liberty the reports of the independent third parties retained by Nalcor to monitor and report on performance by General Electric on the control and protection software for the LIL. On November 29, 2019 Hydro advised that the independent third parties were retained by Nalcor with the resulting reports provided to Nalcor under contractual arrangements and that the Board's request was under legal review by Nalcor. On December 13, 2019 Hydro confirmed that the request was still under legal review. On January 14, 2020 Hydro advised that it was Nalcor's position that the release of the independent third party reports to external parties is prohibited under the contractual agreements with the independent third party.

Liberty's Ninth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System was filed on February 27, 2020. This report set out that Liberty's requests for direct access to the independent third party reports continued to be denied and stated:

We continue to be denied access to them, reportedly based on an unwillingness on General Electric's part to waive confidentiality restrictions associated with them. The continuing inability of management and General Electric to resolve the issue of access, combined with the continuing extension of the LIL schedule for reasons those reports address, makes access to them ever more important in ensuring that confidence in relatively near term completion of the underlying issues is well placed.

Liberty further stated that the continuing delays in the LIL commissioning “heighten the value of the added transparency that direct access to what management and General Electric appear to consider the best information about schedule status would give us.” Liberty urged that the independent third party reports be made available for review, stating that access to the reports for on-site review, subject to appropriate confidentiality, would promote that transparency.

It is clear that Liberty has significant concerns in relation to the continuing extension of the LIL schedule and believes that it is important that it have access to the independent third party reports. Considering the potential impact of further delays in the LIL commissioning on Hydro’s ability to ensure reliable service for the upcoming winter season the Board believes it is essential that Liberty have access to these reports. Nalcor has played an important role in Liberty’s ongoing monitoring by virtue of its role in the completion of the LIL but has refused to provide the independent third party reports on the basis of contractual arrangements. The Board recognizes that Nalcor is not subject to regulation but believes that access to these reports is critical to ensure transparency in the Board’s oversight of Hydro in the provision of adequate and reliable power. The Board expects Hydro to ensure that information which is required by the regulator and which is available through its parent company will be provided when requested. Concerns in relation to confidentiality can be addressed through an agreed process with respect to the release of the information. As such the Board asks that Hydro immediately make the necessary arrangements to ensure that the independent third party reports are made available for Liberty’s review, subject to appropriate confidentiality conditions.

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 by telephone 709-726-6781.

Sincerely,



Cheryl Blundon
Board Secretary

CB/cj

Newfoundland & Labrador Hydro

Geoff Young, E-mail: gyoung@nlh.nl.ca

NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca

Newfoundland Power Inc.

Kelly Hopkins, E-mail: khopkins@newfoundlandpower.com

Gerard Hayes, E-mail: ghayes@newfoundlandpower.com

NP Regulatory, E-mail: regulatory@newfoundlandpower.com

Consumer Advocate

Dennis Browne, Q.C., E-mail: dbrowne@bfma-law.com

Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com

Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com

Bernice Bailey, E-mail: bbailey@bfma-law.com

Industrial Customer Group

Paul Coxworthy, E-mail: pcoxworthy@stewartmckelvey.com

Dean Porter, E-mail: dporter@poolealthouse.ca

Denis Fleming, E-mail: dfleming@coxandpalmer.com

Labrador Interconnected Group

Senwung Luk, E-mail: sluk@oktlaw.com

Chief Eugene Hart, E-mail: ehart@sifn.ca

Cathy Etsell, E-mail: townmanager@labradorcity.ca

Charlie Perry, E-mail: townmanager@wabush.ca

Randy Dillon, E-mail: Eng@townhvgb.com