

October 31, 2014

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: Newfoundland and Labrador Hydro ("Hydro") Supplemental Capital Budget  
Application for upgrade of the Transmission Line Corridor from Bay d'Espoir to  
Western Avalon (the "Application")**

These are Newfoundland Power's comments on the Application.

It appears from the evidence that the ability of the Island Interconnected bulk transmission system to deliver energy to customers east of Bay d'Espoir is constrained by existing transmission capacity between Hydro's Bay d'Espoir and Western Avalon Terminal Stations. The evidence also indicates that transient stability issues will be an issue following the planned interconnection of Muskrat Falls under a number of fault scenarios.

The evidence filed in support of the Application shows that Hydro considered a number of alternatives for addressing the identified capacity and transient stability issues. The proposed 230 kV transmission line between Bay d'Espoir and Western Avalon appears to be the least cost alternative of those considered.

Newfoundland Power submits the Board should approve the Application for the reasons stated above.

Newfoundland Power observes that the evidence filed in respect to the Application does *not* indicate that the proposed 230 kV transmission line will be sufficient on its own to ensure reliability of supply to the eastern portion of the Island Interconnected System following the planned interconnection of Muskrat Falls. Newfoundland Power will not be in a position to comment more fully on this issue until completion of the Board's current investigation into the January 2014 power outages.

We trust the foregoing is found to be in order. If you have any questions, please feel free to contact the Company.



Yours very truly,



Peter Alteen, QC  
Vice President  
Regulation & Planning

c. Geoffrey Young  
Newfoundland and Labrador Hydro

Paul Coxworthy  
Stewart McKelvey

Scott Parsons  
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