

September 12, 2014

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, Newfoundland & Labrador
A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro - the Board's Investigation and Hearing into
Supply Issues and Power Outages on the Island Interconnected System - Request for
Project Updates**

Further to the Board's letter of August 1, 2014 regarding the above referenced matter, enclosed are the originals and 12 copies of Hydro's status updates for the following projects:

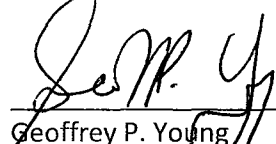
- Sunnyside Replacement Equipment; and
- Western Avalon Terminal Station T5 Tap Changer Replacement.

We trust you will find the enclosed updates to be in order.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/cp

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
ecc: Roberta Frampton Benefiel – Grand Riverkeeper Labrador

Thomas Johnson – Consumer Advocate
Danny Dumaresque

Western Avalon Terminal Station T5 Tap Changer Replacement

Status Update Briefing– September 12, 2014

Boundless Energy



Contents

- Project Dashboard
- Progress & Schedule Summary
- Risk Analysis
- Project Photos

(Incremental to information provided August 29)

Project Dashboard

PM - Western Avalon Transformer Project
Joe Yurchesyn

- Safety
- Quality
- Schedule
- Cost

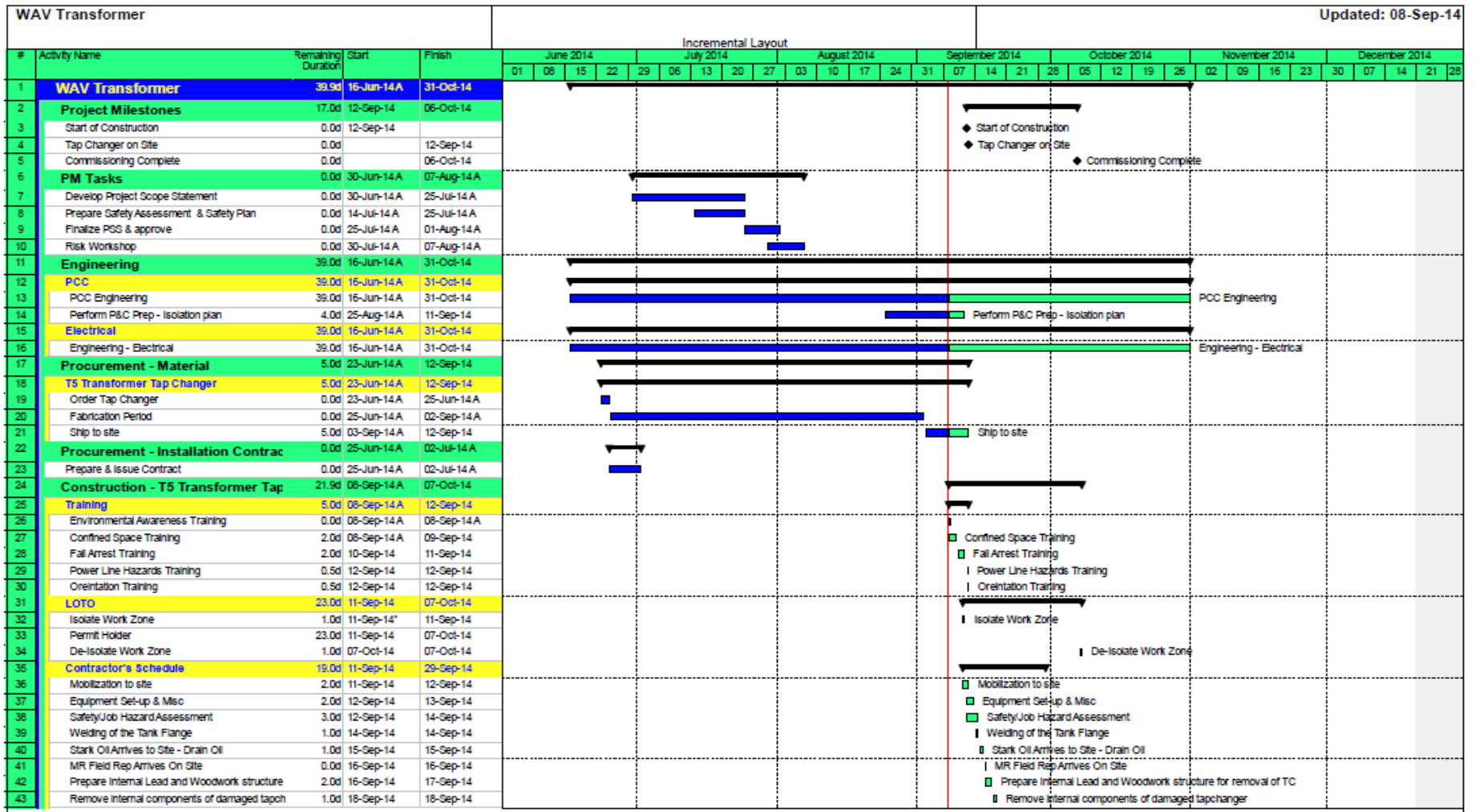
Progress & Schedule Summary

1. Reinhauser Tap Changer Delivery – Air Freight September 11, at site September 12.
2. T5 Transformer Modifications contractor (Transformer OEM CG Global) orientation and site training September 10/11.
3. Western Avalon contractor site meeting September 13 and site work start.

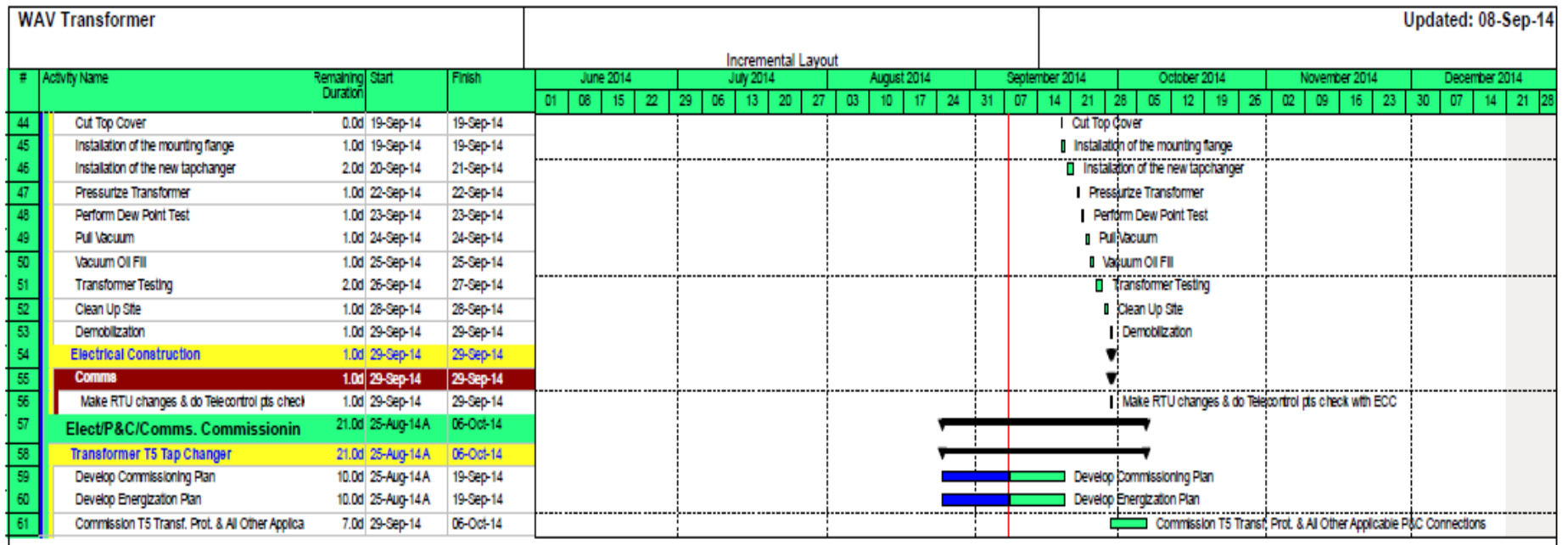
Progress & Schedule Summary (cont'd)

4. Site work is approximately four weeks; ready for commissioning by the end September/early October with a planned in-service date of October 13.
5. Overall the project continues to track with compliance to plan against Safety, Quality, Cost, and Delivery targets.

Level 2 - Schedule Summary

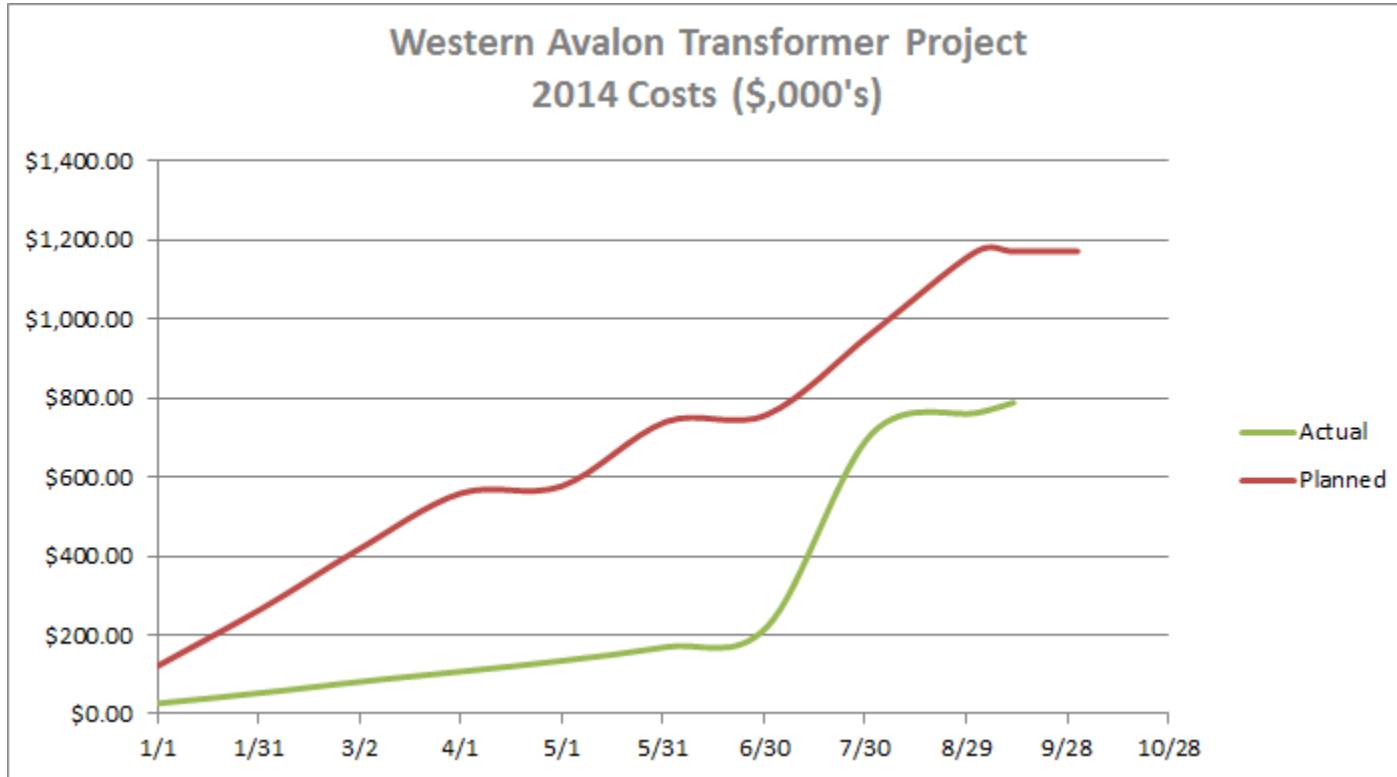


Level 2 - Schedule Summary (cont'd)



Cost Summary - S Curve

(Preliminary – Project Accounting Reconciliation in process)



Note: Forecast Final Expenditures (FFE) tracking with compliance with original budget. Actual Costs reflects contractual commitments for major equipment and install contracts.

Risk Analysis

Third Party Facilitated Risk Workshop and Risk Register Spreadsheet for WAV August 7.

Major risks similar to, but less than those for SSD. Actions identified to risks where practical.

Risk Analysis – Example of Issues

- T5 Tap Changer Delivery – Damage.
 - Inspect September 11 at logistics company and at site.
- T5 Tap Changer – Installation/Failure.
- T5 Transformer modifications.
 - CG Global detailed plan - cutting and cleaning.
- P&C Re-Connections.
 - Oversight OEM recommendations, modifications and commissioning.

Project Photos

None available at this time – Tap Changer completed, delivery to St. John's on September 11.

