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November 24, 2021

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

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

Dear Ms. Blundon:

**Re: Holyrood Thermal Generating Station Unit 2 Transformer Failure  
Allowance for Unforeseen Items Notification – Cost and Schedule**

On November 19, 2021, Newfoundland and Labrador Hydro ("Hydro") notified the Board of Commissioners of Public Utilities ("Board") of its intention to use the Allowance for Unforeseen Items Account for the installation of the critical spare transformer at Holyrood Thermal Generating Station ("Holyrood TGS") Unit 2.

In its correspondence, Hydro advised that it did not have details regarding estimated costs and schedule and committed to providing this information to the Board once it became available. Hydro now has early estimates of cost and schedule and can advise that the installation and commissioning of the spare transformer is expected to cost approximately \$1.4 million. Work is underway and energization of the spare is expected to occur on December 17, 2021. As some of the work required to install and commission the spare transformer may be impacted by adverse weather conditions, schedule and cost may fluctuate accordingly.

Hydro will provide additional information regarding any risks and mitigating efforts related to the unavailability of Holyrood TGS Unit 2 in its next Winter Readiness report.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

A handwritten signature in blue ink, appearing to read "Shirley A. Walsh", written over a horizontal line.

Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
SAW/sk

ecc: **Board of Commissioners of Public Utilities**  
Jacqui H. Glynn  
PUB Official Email