

December 17, 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: Labrador East Reliability Plan Update

On October 28, 2021, Newfoundland and Labrador Hydro (“Hydro”) filed correspondence with the Board of Commissioners of Public Utilities (“Board”) indicating that Hydro would continue to supply Labrador East using the 138 kV interconnection to Churchill Falls via transmission line L1301/1302 for the upcoming winter season (2021–2022). Hydro had previously anticipated that the interconnection between Muskrat Falls and Happy Valley-Goose Bay would be completed in 2021; however, the Muskrat Falls generating units had not been available to the extent required to support the interconnected system in Labrador East earlier in the year and Hydro determined the risk of completing such work in such close proximity to the winter period was unacceptable due to the customer impact and the 12-hour outage requirement for work associated with the interconnection.

On November 25, 2021, Hydro experienced a trip on L1301 as a result of heavy freezing rain in the area.¹ Hydro dispatched crews to identify the nature and location of the fault; however, difficulties with accessibility and adverse weather conditions in the area hindered these efforts. On the evening of November 25, 2021, Hydro had remained unable to locate the fault, and proceeded to implement its contingency plan to supply Labrador East via the Muskrat Falls – Happy Valley Interconnection. With all generators commissioned at Muskrat Falls, sufficient generation was available to support the interconnected system. Power was restored to customers in Labrador East via the interconnection on the evening of November 26, 2021. Modifications and commissioning of the transformer protection at Muskrat Falls were subsequently completed on December 10, 2021, which Hydro considers to be the in-service date of the Muskrat-Falls – Happy Valley Interconnection.²

As a result of the Muskrat Falls – Happy Valley Interconnection entering service on December 10, 2021, Hydro believes that reliability risks in Labrador East have been substantially reduced. Therefore, Hydro intends to suspend the Labrador East Reliability Plan and related monthly reporting.

¹ As reported in Power Outage and Incident Advisory 2021-H-014-a, filed with the Board on November 29, 2021.

² Work remains to be completed under the Muskrat Falls – Happy Valley Interconnection to add additional transformation capacity at the Happy Valley Terminal Station, planned for completion in summer 2022.

Status of L1301

On November 27, 2021, Hydro located a severely damaged structure on L1301 approximately 70 kilometers west of Happy Valley-Goose Bay. Repairs are underway to restore L1301 to operating condition. Hydro intends to maintain L1301 as a backup supply to Labrador East for the 2021–2022 winter season. Hydro intends to decommission L1301 beginning in 2022.

Interruptible Service Agreement

On December 14, 2021, Hydro notified Labrador Lynx Limited of the expiration of the Interruptible Service Agreement,³ effective December 10, 2021.

Load Restrictions

Regulation 17, approved by the Board in Order No. P.U. 34(2019),⁴ remains in effect and limits large⁵ load additions in Labrador East and Labrador West. Hydro is in the process of evaluating load requests in light of the Network Additions Policy, and will make an application to the Board regarding load restrictions in Labrador East following this review.

Transformer Relocations

As previously communicated to the Board,⁶ a consequence of the deferral of the Muskrat Falls – Happy Valley Interconnection was that the Churchill Falls transformer T31 would not be available to replace Holyrood T7 for the coming winter. As Hydro intends to continue to maintain L1301 as a backup supply for the 2021–2022 winter season, T31 will remain in Churchill Falls until summer 2022.

Additionally, the 50 MVA transformer in the Muskrat Falls Terminal Station 3 on the North Spur is not available for relocation to the Happy Valley Terminal Station. This transformer must remain in place as capacitor banks at this terminal station would be required for voltage support as part of the L1301 backup supply solution. For the coming winter, overloads that could arise from a power transformer failure in the Happy Valley Terminal Station would be avoided by the operation of the Happy Valley Gas Turbine and/or the North Side Diesel Plant.

Should you have any questions or comments about any of the enclosed, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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

³ As per Board Order No. P.U. 32(2021).

⁴ Originally approved in Board Order No. P.U. 32(2018).

⁵ 200 kW and greater.

⁶ "Labrador East Reliability Plan Update," Newfoundland and Labrador Hydro, March 17, 2020.

ecc: **Board of Commissioners of Public Utilities**
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