

**NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**AN ORDER OF THE BOARD**

**NO. P.U. 29(2022)**

1 **IN THE MATTER OF** the **Electrical Power Control**  
2 **Act, 1994**, SNL 1994, Chapter E-5.1 (the “**EPCA**”)  
3 and the **Public Utilities Act**, RSNL 1990, Chapter  
4 P-47 (the “**Act**”), as amended, and regulations  
5 thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for consent  
9 to abandon Transmission Line L1301, pursuant  
10 to section 38 of the **Act**.  
11

12  
13 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing  
14 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is  
15 also subject to the provisions of the **EPCA**; and  
16

17 **WHEREAS** on July 18, 2022 Hydro filed an application requesting approval of the abandonment  
18 of Transmission Line L1301 (the “Application”); and  
19

20 **WHEREAS** the Application states that Transmission Line TL240, a 269 kilometre line completed  
21 in 1977, was split into two separate sections, the first section was designated L1301 and  
22 connected Churchill Falls Terminal Station 1 to the Muskrat Falls Terminal Station 1 and the  
23 second section, designated L1302, connected the Muskrat Falls Terminal Station 1 to the Muskrat  
24 Falls Tap Station and onwards to the Happy Valley Terminal Station; and  
25

26 **WHEREAS** in Order No. P.U. 9(2019) the Board approved the Muskrat Falls to Happy Valley  
27 Interconnection project (“Interconnection Project”) which involved transmission line and  
28 terminal station modifications to extend the transmission line from Muskrat Falls Terminal  
29 Station 2 to the Muskrat Falls Tap Station and to interconnect with the Happy Valley Terminal  
30 Station, designed to improve service reliability to Labrador East and provide sufficient  
31 transmission capacity to serve the installed load base; and  
32

33 **WHEREAS** the Application states that the Interconnection Project is now complete and  
34 Transmission Line L1303 was deemed in-service as of December 10, 2021 and therefore  
35 transmission line L1301 is no longer needed to provide service to customers and has no

1 forecasted use in the transmission plan for Labrador, and also that there are no known existing  
2 or potential Hydro customers impacted by the removal of the L1301 structures; and

3  
4 **WHEREAS** Section 38 of the **Act** provides that the written consent of the Board to abandon part  
5 of a line or works shall only be given after notice is provided to an interested incorporated  
6 municipal body; and

7  
8 **WHEREAS** Hydro provided written notice to the Town of Happy Valley-Goose Bay, the Town of  
9 North West River, and Sheshatshiu Innu First Nations and that Hydro received correspondence  
10 from the Town of Happy Valley-Goose Bay advising it had no objection to the decommissioning;  
11 and

12  
13 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
14 the Consumer Advocate, Dennis Browne, K.C. (the “Consumer Advocate”); a group of Island  
15 Industrial customers: Corner Brook Pulp and Paper Limited, Braya Renewable Fuels  
16 (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited; the communities of  
17 Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City (“Labrador Interconnected  
18 Group”); Iron Ore Company of Canada; Teck Resources Limited; Praxair Canada Inc.; the Town of  
19 North West River; the Town of Happy Valley Goose-Bay; and Sheshatshiu Innu First Nations; and

20  
21 **WHEREAS** the Consumer Advocate did not file any requests for information or submissions; and

22  
23 **WHEREAS** the Labrador Interconnected Group submitted requests for information which Hydro  
24 responded to on August 10, 2022 and August 18, 2022; and

25  
26 **WHEREAS** on August 24, 2022 Newfoundland Power advised that it did not have any comment  
27 on the Application; and

28  
29 **WHEREAS** on August 24, 2022 the Labrador Interconnected Group filed its submission stating  
30 that it reasonably understood that Hydro would maintain L1301 for the near-term, and at a  
31 minimum until the anticipated end of its service life in 2037; and

32  
33 **WHEREAS** the Labrador Interconnected Group stated that with the abandonment of L1301  
34 Labrador East will lose its only redundancy guaranteeing power in the event of an outage at  
35 Muskrat Falls and that it is concerned that Hydro will prioritize restoring service to the Island;  
36 and

37  
38 **WHEREAS** the Labrador Interconnected Group submitted that the winters are extremely difficult  
39 in the area and restoring service has historically taken significant time and as such, to maintain a  
40 reliable redundancy, the Board should require Hydro to file a plan with respect to purchasing and  
41 maintaining diesel generators to supply the Labrador Interconnected Group in the event of an  
42 outage; and

43  
44 **WHEREAS** the Labrador Interconnected Group stated that it would not oppose the abandonment  
45 of L1301 provided that Hydro’s cost of service for serving the Labrador Interconnected Group

1 continues to exclude the costs of constructing and operating Muskrat Falls and the Labrador  
2 Transmission Assets and that the Board requires that Hydro:

- 3 i. prioritize restoring service to Labrador East in the event of a service failure that  
4 would not have occurred if L1301 was still operating;
- 5 ii. not impose curtailments that may be imposed on the Island in Labrador East in  
6 the event of an outage at Muskrat Falls or any of its associated infrastructure;  
7 and
- 8 iii. consider ways to shorten outages on the Labrador Interconnected System, such  
9 as through the purchase of diesel generators for supplying the Labrador  
10 Interconnected Group in the event of a service failure; and  
11

12 **WHEREAS** on August 29, 2022 Hydro filed its reply submission and disagreed with the Labrador  
13 Interconnected Group's categorization that Hydro is proposing to abandon L1301 before the end  
14 of its useful life and eliminating a piece of infrastructure that would have added to the reliability  
15 of services to Labrador East for the next 15 years; and  
16

17 **WHEREAS** Hydro did not agree with the conditions proposed by the Labrador Interconnected  
18 Group and stated that the retirement of L1301 would not have any appreciable impact on the  
19 reliability of supply for customers in eastern Labrador and that the costs associated with the  
20 maintenance of the line, without any appreciable reliability benefit, are not justifiable; and  
21

22 **WHEREAS** Hydro stated that L1301 would only provide a reliability benefit in the event of a very  
23 low probability outage and also a structural issue on the new section of the transmission line  
24 could be located and repaired in a time frame similar to the time necessary to reconnect L1301;  
25 and  
26

27 **WHEREAS** Hydro submitted that Order in Council OC2013-343, which requires certain costs of  
28 Muskrat Falls be recovered from Island Interconnected customers, has no bearing on the  
29 abandonment of L1301; and  
30

31 **WHEREAS** in terms of outage management Hydro stated that it cannot commit to specific  
32 operations to restore service as operating decisions must be based solely on ensuring the safe  
33 provision of reliable service and further there is no need for prioritization as a service loss to  
34 L1303 would only impact Labrador East and repairs for a service failure impacting both Labrador  
35 East and the Island would generally resolve the issue for both regions simultaneously; and  
36

37 **WHEREAS** Hydro submitted that Labrador East will be served in the same manner after the  
38 removal of L1301 but with much improved reliability and there is no indication that further  
39 investment is necessary at this time to ensure further reliability or redundancy; and  
40

41 **WHEREAS** the Board is satisfied that the removal of Transmission Line L1301 is consistent with  
42 the provision of least-cost reliable service and should be approved and that it is not necessary or  
43 appropriate in the circumstances to issue directions to Hydro with respect to its cost of service,  
44 prioritization of service, curtailments or the purchase of diesel generators.

1 **IT IS THEREFORE ORDERED THAT:**

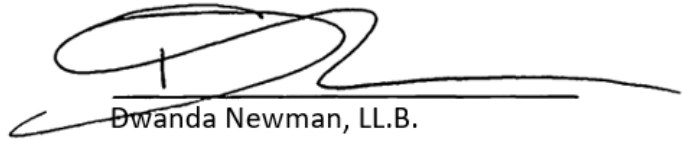
2

3 1. The abandonment of Transmission Line L1301 is approved.

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5 2. Hydro shall pay all costs and expenses of the Board related to this application.

**DATED** at St. John's, Newfoundland and Labrador this 12<sup>th</sup> day of September, 2022.



Dwanda Newman, LL.B.

Vice-Chair



Christopher Pike, LL.B., FCIP

Commissioner



Assistant Board Secretary