



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2014-06-13

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Dear Sirs/Madames:

Re: The Board's Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System – Final Process

The Board has started its work on the next phase of the investigation and hearing with a view to completion of its final report in the first quarter of 2015. This report will address follow-up items and issues from its interim report such as:

- load forecasting methodologies;
- utility coordination of load growth planning, system operations and outage and emergency management;
- asset management strategies for generation and transmission assets, including maintenance of the Holyrood plant and the gas turbines;
- adequacy of resources to manage capital and operating programs; and
- customer communication and service enhancements.

In addition the Board's final report will provide an evaluation of Island Interconnected system adequacy and reliability up to and after the interconnection with the Muskrat Falls generating facility. This is expected to cover issues such as:

- options to address load growth until interconnection, including contingency plans for any project delay;
- reliability of the existing Island Interconnected system (generation, transmission and distribution) until interconnection;
- system operations impacts of interconnection, including NERC compliance and reliability implications for the Island Interconnected system;
- contingency plans for interruption of service after interconnection, including back-up generation and/or alternate supply requirements; and
- other system planning, capital and operational issues which may impact adequacy and reliability of supply before and after interconnection.

The parties and intervenors may file Requests for Information (RFIs) in relation to these issues. The Board asks that the parties and intervenors restrict the areas of enquiry to only those issues which are relevant to the matters to be addressed by the Board in its final report.

The following dates have been set:

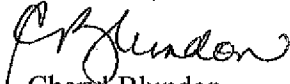
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| RFIs to Hydro and Newfoundland Power: | Friday, June 27, 2014 |
| Responses to RFIs: | Friday, July 25, 2014 |

The Board's consultants, The Liberty Consulting Group, has started its work for this phase and is expected to file a report by late Fall 2014. As this matter moves forward the Board will advise further as to scheduling for the remainder of the proceeding. The process may involve the filing of further evidence, RFIs, submissions and comments, as appropriate in the circumstances, with the public hearing to follow in the winter.

In response to the Board's recent public notice seven requests were received to make a presentation. Following review of these requests and after consultation with the presenters the Board has decided that these presentations will be scheduled as part of the public hearing. Notice of the hearing schedule will be published in late fall along with a further invitation to make a presentation to the Board.

If you have any questions or comments in relation to the above please do not hesitate to contact the undersigned.

Yours truly,



Cheryl Blundon
Board Secretary

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