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1 **Q**: (Liberty December 17, 2014 Report to Board on Supply Issues and Power 2 Outages Review Island Interconnected System addressing Newfoundland and 3 Labrador Hydro) It is stated (page 1): "Newfoundland Power reported outages 4 to three-quarters of its retail customers during the two series of events that took 5 place between January 2 and 8 of 2014. Some of them were for extended periods 6 of time. Newfoundland Power attributed 15 percent of its customer outages to the capacity-induced rotating outages of January 2^{nd} and 3^{rd} , and 80 percent to the 7 8 equipment related outages that followed and finally ended on January 8th. Winter 9 storm conditions coinciding with these events independently produced the remaining 5 percent of outages for Newfoundland Power's retail customers". In 10 Liberty's opinion, were equipment problems and winter storm conditions the 11 primary cause of the January 2014 outage events? More specifically, would 12 13 there have been major outages even if there had been enough generation 14 capacity to supply the load? 15

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A. Hydro's generation and transmission equipment problems were the primary causes
of the outages. The winter storm damage to Newfoundland Power's equipment
resulted in relatively minor number of and duration of outages. Had additional
Hydro generation been available, failure of Hydro's transmission equipment would
nevertheless have caused outages.