

**P.U. 16 (2004)**

**IN THE MATTER OF THE  
PUBLIC UTILITIES ACT,**  
R.S.N.1990, c. P-47, as amended  
(the “*Act*”)

AND

**IN THE MATTER OF** an  
application by Newfoundland and  
Labrador Hydro (“Hydro”) for  
approval of additional 2004 capital  
expenditures, pursuant to  
Section 41(3) of the *Act*.

**WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is a  
public utility within the meaning of the *Act*, and is also subject to the provisions of the *Electrical  
Power Control Act, 1994*; and

**WHEREAS** Section 41(3) of the *Act* requires that a public utility shall not proceed with the  
construction, purchase or lease of improvements or additions to its property where:

- (a) the cost of the construction or purchase is in excess of \$50,000; or
- (b) the cost of the lease is in excess of \$5,000 in a year of the lease

without the prior approval of the Board of Commissioners of Public Utilities (the “Board”); and

**WHEREAS** by Order No. P. U. 29(2003) the Board approved Hydro's 2004 capital expenditure program and, in subsequent Orders, approved additional capital projects for 2004; and

**WHEREAS** on May 17, 2004 Hydro filed an application with the Board, pursuant to Section 41(3) of the *Act*, seeking approval of additional 2004 capital expenditures totaling \$465,000 for the upgrade to the security infrastructure, plan and procedures at Holyrood's Marine Terminal; and

**WHEREAS** Hydro states that the Marine Transportation Security Regulations published on April 3, 2004 in the Canadian Gazette requires that Hydro receive Transport Canada Plan Certification by July 1, 2004 for the Holyrood Marine Terminal and also requires Hydro to put in place infrastructure upgrades and a facility security plan prior to the first fuel tanker arrival currently expected in October of 2004; and

**WHEREAS** Hydro also states that failure to comply with the Marine Transportation Security Regulations may jeopardize its ability to generate power and energy from the Holyrood Thermal Generating Station and could also result in prosecution under the Marine Transportation Security Act; and

**WHEREAS** Hydro provided as Schedule A to the application a capital budget explanation for this security upgrade to the Holyrood Marine Terminal prepared in accordance with the guidelines in Schedule 3 of Order No. P. U. 7(2002-2003); and

**WHEREAS** on May 19, 2004 Hydro provided additional information in respect of the application in response to information requests from the Board; and

**WHEREAS** the Board has also considered the comments of the Industrial Customers as contained in their letter dated May 27, 2004; and

**WHEREAS** the Board has considered the application, including the explanations contained in Schedule A and additional information provided, and is satisfied that the proposed expenditure is prudent and necessary in order to provide reasonably safe and adequate and just and reasonable service as required by the *Act*.

**IT IS THEREFORE ORDERED THAT:**

1. Pursuant to Section 41 (3) of the *Act*, the Board approves the additional 2004 expenditure of \$465,000 for the upgrade to the security infrastructure, plan and procedures at Hydro's Holyrood Marine Terminal.

**Dated** at St. John's, Newfoundland and Labrador, this 3<sup>rd</sup> day of June 2004.

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Robert Noseworthy,  
Chair & Chief Executive Officer.

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Darlene Whalen,  
Vice-Chair.

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G. Cheryl Blundon,  
Board Secretary.