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P. U. 3 (2005)

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 preliminary engineering
and design work for a transmission
interconnection of the Duck Pond Mine
Site owned by Aur Resources Inc., an
intended industrial customer of Hydro,
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

1 **WHEREAS** by Order No. P. U. 53 (2004) the Board approved Hydro's 2005 capital expenditure
2 program with a total budgeted cost of \$42,431,000; and

3

4 **WHEREAS** on January 14, 2005 Hydro filed an application with the Board, pursuant to Section
5 41(3) of the *Act*, seeking approval of additional 2005 capital expenditures totaling \$120,000 for the
6 preliminary engineering and related work to be carried out in January and February of 2005
7 associated with a 55 km transmission interconnection to the Duck Pond Mine site owned by Aur
8 Resources Inc., an intended industrial customer of Hydro; and

9

10 **WHEREAS** Hydro has entered into an agreement with Aur Resources Inc. which provides that this
11 intended industrial customer will pay to Hydro the full cost of this preliminary engineering and
12 related works; and

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14 **WHEREAS** Hydro anticipates that, in due course, it will make further application to the Board for
15 approval of the construction of the transmission interconnection on the basis that those capital costs
16 will be fully contributed by the intended customer; and

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18 **WHEREAS** the Board has considered the application and is satisfied that the proposed expenditure
19 is prudent and necessary in order to preserve a timely commencement of the transmission
20 interconnection project.

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IT IS THEREFORE ORDERED THAT:

- 1. Pursuant to Section 41 (3) of the *Act*, the Board approves the additional 2005 expenditure of \$120,000 for the preliminary engineering and related work associated with a 55 km transmission interconnection to the Duck Pond Mine site owned by Aur Resources Inc., an intended industrial customer of Hydro.
- 2. Pursuant to Section 41 (5) of the *Act*, the Board approves the contribution from Hydro’s intended industrial customer, Aur Resources Inc., of \$120,000 towards the preliminary engineering and related work associated with a 55 km transmission interconnection to the Duck Pond Mine site.

Dated at St. John's, Newfoundland and Labrador, this 18th day of January 2005.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chair.

G. Cheryl Blundon,
Board Secretary.