

P.U. 25(2007)

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

7
8 **AND**
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10 **IN THE MATTER OF** the application by
11 Newfoundland and Labrador Hydro (“Hydro”)
12 for approval of (1) the construction of
13 off-loading ramps for mobile transmission
14 line maintenance equipment, and (2) the
15 acquisition and installation of an ICP
16 Spectrometer for the Holyrood Generating
17 Station, pursuant to Section 41(3) of the *Act*.

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20 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is
21 a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and
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23 **WHEREAS** Section 41(3) of the *Act* requires that a public utility shall not proceed with the
24 construction, purchase or lease of improvements or additions to its property where (a) the cost of
25 construction or purchase is in excess of \$50,000; or (b) the cost of the lease is in excess of \$5,000 in
26 a year of the lease without the prior approval of the Board of Commissioners of Public Utilities (the
27 “Board”); and
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29 **WHEREAS** Hydro’s 2007 capital budget expenditures totaling \$37,684,100 were approved by the
30 Board in Order No. P.U. 35(2006), and leases in the amounts of \$3,750 plus HST and \$6,752 plus
31 HST were approved in Order Nos. P.U. 4(2007) and P.U. 5(2007) respectively; and
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33 **WHEREAS** on June 29, 2007 Hydro filed an application with the Board pursuant to Section 41(3)
34 of the *Act*, seeking approval of the following additional 2007 capital expenditures: (a) the
35 expenditure of \$297,500 to install 20 off-loading ramps for mobile transmission equipment, being
36 the first year of a five-year plan to install approximately 100 such off-loading ramps at a total
37 estimated cost of \$1,557,700; and (b) the expenditure of \$231,000 in 2007 to acquire and install an
38 inductively coupled plasma (ICP) mass spectrometer for use in waste water analysis in Hydro’s
39 laboratory at the Holyrood Thermal Generating Station; and

1 **WHEREAS** a copy of the application was provided to Hydro's Industrial Customers, Newfoundland
2 Power, and the Consumer Advocate; and
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4 **WHEREAS** on July 9, 2007 the Industrial Customers filed a submission setting out specific
5 objections to both proposed additional capital expenditures; and
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7 **WHEREAS** the Board issued a number of Requests for Information (RFIs) on Hydro's proposed
8 expenditures which were responded to by Hydro on July 25, 2007; and
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10 **WHEREAS** the Industrial Customers filed a further letter on July 30, 2007 providing a
11 supplementary submission on the proposal for off-loading ramps and reiterating their objection to
12 both the proposed expenditures; and
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14 **WHEREAS** Hydro responded to the Industrial Customers' submissions in a letter dated August 10,
15 2007; and
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17 **WHEREAS** on August 28, 2007 Hydro filed a letter with the Board withdrawing its request for
18 approval of additional capital expenditures related to the proposal for off-loading ramps, and
19 requesting that this project be considered instead as part of its 2008 Capital Budget application
20 which is currently before the Board; and
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22 **WHEREAS** the Board has considered the application for the remaining project related to the ICP
23 mass spectrometer and the additional information filed by Hydro in response to the Board's RFIs, as
24 well as the written submissions of the Industrial Customers and Hydro; and
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26 **WHEREAS** the Industrial Customers, in their objection to Hydro's proposal with respect to the ICP
27 mass spectrometer, state that the information provided by Hydro fails to satisfy the requirements for
28 approval and raise a number of specific questions, some of which were addressed by Hydro in its
29 responses to the Board's RFIs and in its submission; and
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31 **WHEREAS** Hydro's waste water analyses are undertaken at its own laboratory, which is accredited
32 by the Canadian Association of Environmental Analytical Laboratories (CAEAL), as required under
33 the certificate of approval for the Hydro's Holyrood Thermal Generating Station; and
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35 **WHEREAS** Hydro states that the atomic absorption device which is now used for chemical testing
36 of the waste water discharge at the Holyrood station for the presence and levels of concentration of
37 various metals can no longer meet the sensitivity requirements of CAEAL proficiency testing and is
38 at the end of its useful life; and
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40 **WHEREAS** the Board is satisfied that replacement of the existing atomic absorption device with an
41 ICP spectrometer should be approved to allow the Holyrood laboratory to satisfy CAEAL
42 proficiency testing for all metals and reduce operating costs associated with the use of an outside
43 laboratory.

1 **IT IS THEREFORE ORDERED THAT:**
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- 4 1. The additional 2007 capital expenditure of \$231,000 to acquire and install an inductively
5 coupled plasma mass spectrometer for use at Hydro's Holyrood Thermal Generating Station
6 is approved.
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- 8 2. The withdrawal by Hydro of the application for approval of additional 2007 capital
9 expenditures in relation to off-loading ramps is accepted and this application will be set over
10 and considered as part of Hydro's 2008 capital budget application, which is currently before
11 the Board.
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- 13 3. Hydro shall pay all expenses of the Board arising from this application.

DATED at St. John's, Newfoundland and Labrador, this 31st day of August 2007.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Cheryl Blundon
Board Secretary