

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 33(2009)

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

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro (“Hydro”)
10 pursuant to Subsection 41(3) of the *Act*, for the
11 refurbishment of a gas turbine generator to be
12 located at the Stephenville Gas Turbine Plant
13 (the “Stephenville Plant”).

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15
16 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is
17 a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and

18
19 **WHEREAS** on July 27, 2009 Hydro filed an application with the Board requesting approval of
20 capital expenditures, at an estimated cost of \$2,086,200, in relation to the refurbishment of a gas
21 turbine generator to be located in the Stephenville Plant (the “Application”); and

22
23 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
24 construction, purchase or lease of improvements or additions to its property where:

- 25
26 a) the cost of construction or purchase is in excess of \$50,000; or
27
28 b) the cost of the lease is in excess of \$5,000 in a year of the lease,

29
30 without prior approval of the Board; and

31
32 **WHEREAS** in Order No. P.U. 36(2008) issued December 23, 2008 the Board approved, *inter*
33 *alia*, Hydro’s 2009 Capital Budget of \$47,856,000; and

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35 **WHEREAS** the Board approved supplementary 2009 Capital expenditures in:

- 1 (i) Order No. P.U. 4(2009) in the amount of \$351,000 for the replacement of the
2 power transformer at the Wiltondale terminal station due to a failure of the
3 existing transformer;
- 4 (ii) Order No. P.U. 8(2009) in the amount of \$1,092,900 for the replacement of
5 programmable logic controllers at the Holyrood Thermal Generating Station's
6 Gas Turbine Plant;
- 7 (iii) Order No. P. U. 10(2009) in the amount of \$703,700 for the upgrade of the
8 continuous emission monitoring system at the Holyrood Thermal Generating
9 Station;
- 10 (iv) Order No. P. U. 16(2009) in the amount of \$93,000 for the extension of the
11 parking lot at Hydro Place;
- 12 (v) Order No. P. U. 19(2009) in the amount of \$191,600 to install cold reheat
13 condensate drains and high-pressure heater trip on Unit 2 at the Holyrood
14 Thermal Generating Station in place of the same project for Unit 1;
- 15 (vi) Order No. P. U. 23(2009) in the amount of \$160,800 for the development of an
16 on-line Work Protection Code (WPC) training software program;
- 17 (vii) Order No. P. U. 28(2009) in the amount of \$1,895,000 for the Condition
18 Assessment and Life Extension Study for the Holyrood Thermal Generating
19 Station; and
- 20 (ix) Order No. P.U. 31(2009) in the amount of \$2,804,700 for the rehabilitation of the
21 Nain Diesel Generating Plant; and
22

23 **WHEREAS** the gas turbine generator was removed from service at the Hardwoods Gas Turbine
24 Plant (the "Hardwoods Plant") in 2007, following an inspection that identified that pieces of
25 metal were missing from several interior turbine blades; and
26

27 **WHEREAS** one of the two 25 MW gas generators located at Hydro's Stephenville Plant was
28 relocated to the Hardwoods Plant to achieve the maximum benefit to the Island Interconnected
29 System by locating it nearer to the most heavily loaded region of the system; and
30

31 **WHEREAS** Hydro states that the Stephenville Plant should be restored to its original 50 MW
32 capacity to meet the synchronous condensing needs of the west coast which is supplied from the
33 Stephenville Plant; and

34 **WHEREAS** Newfoundland Power and the Industrial Customers were notified of the Application
35 and provided an opportunity to make comments but did not present evidence or make
36 submissions; and
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38 **WHEREAS** the Board issued Requests for Information on August 3, 2009 requesting
39 clarification on several aspects of the Application, to which Hydro responded on August 12,
40 2009; and
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42 **WHEREAS** the Consumer Advocate issued Requests for Information on August 10, 2009
43 requesting clarification on several aspects of the Application, to which Hydro responded on
44 August 17, 2009; and
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1 **WHEREAS** the Board has considered the Application for approval of the refurbishment of the
2 gas turbine generator to be located at the Stephenville plant, including the report filed and the
3 additional information provided, and is satisfied that the Application should be approved.
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6 **IT IS THEREFORE ORDERED THAT:**
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- 8 1. The Board approves the proposed capital expenditure of \$2,086,200 for the refurbishment
9 of the gas turbine generator to be located at the Stephenville plant.
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11 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 4th day of September 2009.

Andrew Wells
Chair & Chief Executive Officer

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary