

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

AN ORDER OF THE BOARD

NO. P.U. 26(2010)

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

6
7 **AND**
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9 **IN THE MATTER OF** an application by
10 Newfoundland and Labrador Hydro (“*Hydro*”)
11 for the approval of replacement of the jet fuel
12 tank at Bay d’Espoir campsite (the “*Application*”),
13 pursuant to Section 41(3) of the *Act*.
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17 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*,
18 *2007*, is a public utility within the meaning of the *Act* and is subject to the provisions of the
19 *EPCA*; and
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21 **WHEREAS** Section 41(3) of the *Act* requires that a public utility not proceed with the
22 construction, purchase or lease of improvements or additions to its property where:
23 a) the cost of construction or purchase is in excess of \$50,000; or
24 b) the cost of the lease is in excess of \$5,000 in a year of the lease, without prior
25 approval of the Board; and
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27 **WHEREAS** in Order No. P. U. 1(2010) issued January 22, 2010 the Board approved, *inter*
28 *alia*, Hydro’s 2010 Capital Budget of \$52,775,000; and
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30 **WHEREAS** the Board approved supplementary 2010 capital expenditures in:

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- 32 (i) Order No. P. U. 16(2010) in the amount of \$14,800,000 for the construction of
 - 33 a terminal station at Long Harbour and an extension to transmission line TL-
 - 34 208 to be recovered from Vale Inco; and
 - 35 (ii) Order No. P. U. 21(2010) in the amount of \$693,800 to be added to the
 - 36 Allowance for Unforeseen items; and
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38 **WHEREAS** Hydro owns, operates and maintains a helicopter pad at Bay d’Espoir, including
39 a jet fuel supply system; and

1 **WHEREAS** problems of impurities in the fuel were detected in 2009 by Hydro personnel but
2 remedial steps have not been effective; and

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4 **WHEREAS** on August 12, 2010, Hydro applied to the Board requesting approval of the
5 capital expenditure of \$120,400 for the replacement of the fuel tank; and

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7 **WHEREAS** Hydro states that the existing jet fuel supply system is not up to current aviation
8 fuel standards and that to ensure the safety of employees and the public the fuel storage tank
9 and system must be replaced: and

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11 **WHEREAS** Hydro states that the installation of a new tank will reduce fuel costs
12 significantly; and

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14 **WHEREAS** on August 13, 2010 copies of the Application were circulated to the Consumer
15 Advocate, Newfoundland Power Inc. and Hydro's Industrial Customers and thereafter each
16 advised that they would not be commenting on the Application; and

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18 **WHEREAS** the Board issued requests for information which were answered by Hydro on
19 August 27, 2010; and

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21 **WHEREAS** the Board is satisfied that it is reasonable and prudent to approve the
22 expenditure of \$120,400 for the replacement of the fuel tank at the Bay D'Espoir campsite.

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25 **IT IS THEREFORE ORDERED THAT:**

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28 1. The proposed supplementary 2010 capital expenditure of \$120,400 for the
29 replacement of the fuel tank at the Bay D'Espoir campsite is approved.
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31 2. Hydro shall pay all expenses of the Board arising from this Application.

Dated at St. John's, Newfoundland and Labrador, this 24th day of September, 2010.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman
Commissioner

Barbara Thistle
Assistant Board Secretary