

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

AN ORDER OF THE BOARD

NO. P.U. 24(2015)

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 regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of capital expenditures to proceed with the purchase
10 of critical spares, pursuant to section 41 of the *Act*.
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12
13 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and
14 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
15 is subject to the provisions of the *EPCA*; and
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17 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
18 construction, purchase or lease of improvements or additions to its property where:
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- 20 a) the cost of construction or purchase is in excess of \$50,000; or
21 b) the cost of the lease is in excess of \$5,000 in a year of the lease
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23 without prior approval of the Board; and
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25 **WHEREAS** in Order No. P.U. 50(2014) the Board approved Hydro's 2015 Capital Budget in
26 the amount of \$76,832,900; and
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28 **WHEREAS** on July 3, 2015 Hydro filed an application with the Board requesting approval of a
29 supplemental 2015 capital expenditure of \$1,536,300 to purchase critical spares for its generation
30 stations (the "Application"); and
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32 **WHEREAS** as part of its critical spares review, Hydro identified items that are critical to have
33 available to facilitate an expedited return to service in the event of an unexpected failure of an in-
34 service component; and
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36 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
37 Mr. Thomas Johnson; Corner Brook Pulp and Paper Limited; NARL Refining Limited

1 Partnership and Teck Resources Limited; Vale Newfoundland and Labrador Limited and Praxair
2 Canada Inc.; and


3
4 **WHEREAS** the Board did not receive any comments or submissions on the Application; and

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6 **WHEREAS** the Board is satisfied that the 2015 supplemental capital expenditure to purchase
7 critical spares for Hydro's Generation Stations are necessary to allow Hydro to provide service
8 and facilities which are reasonably safe and adequate and just and reasonable.


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11 **IT IS THEREFORE ORDERED THAT:**

- 12
13 1. The capital expenditure in the amount of \$1,536,300 to purchase critical spares for the
14 Hydro's Generating Stations is approved.
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16 2. Hydro shall pay all expenses of the Board arising from this Application.

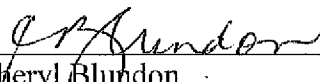
DATED at St. John's, Newfoundland and Labrador this 29th day of July 2015.



Andy Wells
Chair & Chief Executive Officer



Darlene Whalen, P.Eng.
Vice-Chair



Cheryl Blundon
Board Secretary