

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

**AN ORDER OF THE BOARD**

**NO. P.U. 33(2019)**

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 Newfoundland  
8 and Labrador Hydro for approval of a capital expenditure  
9 for refurbishment and upgrade of a gas generator to be  
10 used as a spare for the Hardwoods and Stephenville Gas  
11 Turbine facilities pursuant to section 41 of the *Act*.  
12  
13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and  
15 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,  
16 and is also subject to the provisions of the *EPCA*; and  
17

18 **WHEREAS** section 41 of the *Act* states that a public utility shall not proceed with the construction,  
19 purchase or lease of improvements or additions to its property where:  
20

- 21 a) the cost of construction or purchase is in excess of \$50,000; or
  - 22 b) the cost of the lease is in excess of \$5,000 in a year of the lease
- 23

24 without prior approval of the Board; and  
25

26 **WHEREAS** in Order No. P.U. 46(2018) the Board approved Hydro’s 2019 Capital Budget in the  
27 amount of \$116,140,700; and  
28

29 **WHEREAS** the Board approved supplementary 2019 capital expenditures

- 30 (i) in Order No. P.U. 7(2019) in the amount of \$600,000 to be added to the  
31 Allowance for Unforeseen Items;
- 32 (ii) in Order No. P.U. 22(2019) in the amount of \$259,500 to complete the  
33 Hinds Lake Unit major overhaul and \$414,300 for Level II Condition  
34 Assessments for Bay d’Espoir Penstock 4, Granite Canal Penstock and  
35 Hinds Lake Penstock; and
- 36 (iii) in Order No. P.U. 28(2019) in the amount of \$225,500 for refurbishment of  
37 the Hardwoods gas turbine alternator exciter end bearing and the purchase  
38 of an exciter bearing liner and thrust pads; and

1 **WHEREAS** on September 20, 2019 Hydro filed an application with the Board requesting approval  
2 of a capital expenditure of \$393,500 for the refurbishment and upgrade of an Olympus C Gas  
3 Generator – Serial Number 202204 (“Gas Generator 202204”) to be stored as a spare for either the  
4 Hardwoods or Stephenville Gas Turbine facilities (the “Application”); and

5  
6 **WHEREAS** the Application stated that on November 22, 2018 during a planned borescope  
7 inspection Gas Generator 202204, installed in Hardwoods End B, was found to have a failed high  
8 pressure turbine blade; and

9  
10 **WHEREAS** the Application stated that the unit was deemed to be unsuitable for continued  
11 operation and was removed and sent to an overhaul facility for inspection and a spare gas generator  
12 was installed; and

13  
14 **WHEREAS** the Application stated that the detailed inspection of Gas Generator 202204  
15 determined that the replacement of the full set of high pressure turbine blades is required and also  
16 recommended a more detailed inspection of the installed combustion cans; and

17  
18 **WHEREAS** the Application stated that the Hardwoods and Stephenville Gas Turbines perform  
19 several critical functions on the Island Interconnected system and the availability of a spare gas  
20 generator contributes significantly to an expedited return to service of these facilities in the event  
21 of an in-service failure; and

22  
23 **WHEREAS** the Application was copied to: Newfoundland Power Inc; the Consumer Advocate,  
24 Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited; NARL Refining Limited  
25 Partnership; Vale Newfoundland & Labrador Limited; Teck Resources Limited; Praxair Canada  
26 Inc.; Iron Ore Company of Canada and the Labrador Interconnected Group; and

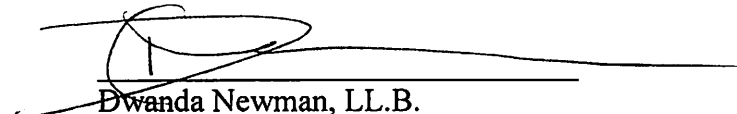
27  
28 **WHEREAS** on October 2, 2019 Hydro noted that no comments were received and requested that  
29 the Board approve the Application as submitted; and

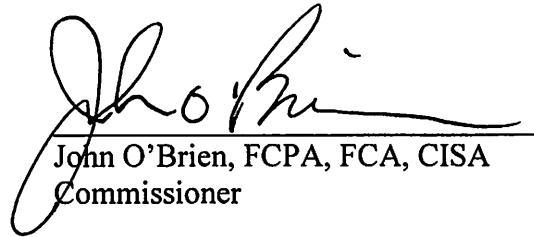
30  
31 **WHEREAS** the Board is satisfied that the proposed 2019 supplemental capital expenditure for  
32 refurbishment and upgrade of an Olympus C Gas Generator – Serial Number 202204 is necessary  
33 to ensure the continued provision of a safe and reliable electricity supply to Hydro’s customers.

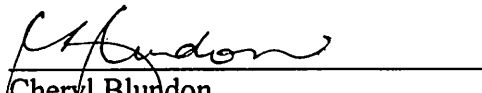
34  
35  
36 **IT IS THEREFORE ORDERED THAT:**

- 37  
38 1. The proposed capital expenditure in the amount of \$393,500 for refurbishment and upgrade  
39 of Olympus C Gas Generator – Serial Number 202204 is approved.  
40  
41 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 15<sup>th</sup> day of October, 2019.

  
Dwanda Newman, LL.B.  
Vice-Chair

  
John O'Brien, FCPA, FCA, CISA  
Commissioner

  
Cheryl Blurdon  
Board Secretary