

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

**AN ORDER OF THE BOARD**

**NO. P.U. 17(2021)**

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

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for approval  
9 of a capital expenditure to supplement the 2021  
10 Allowance for Unforeseen Items for the construction  
11 and purchase of certain improvements and additions  
12 to its property pursuant to section 41 of the *Act*.  
13  
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15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and  
16 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,  
17 and is also subject to the provisions of the *EPCA*; and  
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19 **WHEREAS** section 41 of the *Act* states that a public utility shall not proceed with the construction,  
20 purchase or lease of improvements or additions to its property where:  
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- 22 a) the cost of construction or purchase is in excess of \$50,000; or
  - 23 b) the cost of the lease is in excess of \$5,000 in a year of the lease
- 24

25 without prior approval of the Board; and  
26

27 **WHEREAS** in Order Nos. P.U. 2(2021) and P.U. 11(2021) the Board approved Hydro’s 2021  
28 Capital Budget in the amount of \$107,452,400; and  
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30 **WHEREAS** on May 4, 2021 Hydro filed an application with the Board requesting approval of a  
31 supplementary amount of \$108,000 to be added to the Allowance for Unforeseen Items (the  
32 “Application”); and  
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34 **WHEREAS** the Application stated that Hydro has had one unforeseen capital expenditure in 2021  
35 in the amount of \$108,000 related to the replacement of a failed diesel engine in Port Hope  
36 Simpson; and

1 **WHEREAS** the Application stated that it is prudent to maintain a sufficient amount in the  
2 Allowance for Unforeseen Items to permit Hydro to address unforeseen events that may arise  
3 during the remainder of 2021 and requested that the Board approve a supplementary amount of  
4 \$108,000, equal to the costs incurred as of March 31, 2021; and  
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6 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
7 the Consumer Advocate, Dennis Browne, Q.C.; Hydro’s Island Industrial customers: Corner  
8 Brook Pulp and Paper Limited, NARL Refining Limited Partnership, Vale Newfoundland and  
9 Labrador Limited; the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and  
10 Labrador City; Praxair Canada Inc. and Teck Resources Limited; and  
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12 **WHEREAS** on May 10, 2021 Newfoundland Power advised that it had no comments regarding  
13 the Application; and  
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15 **WHEREAS** on May 13, 2021 Hydro filed a reply requesting the Board approve the Application  
16 as submitted; and  
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18 **WHEREAS** no other comments were received by the Board; and  
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20 **WHEREAS** the Capital Budget Guidelines issued by the Board in October 2007 permit a utility  
21 to apply for approval of a supplementary amount provided the utility shows that usage of the  
22 Allowance for Unforeseen Items has been consistent with the guidelines; and  
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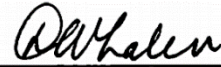
24 **WHEREAS** the Board is satisfied that the 2021 Allowance for Unforeseen Items should be  
25 replenished by \$108,000 effective immediately to allow Hydro to proceed expeditiously with  
26 emergency capital expenditures where the nature of these expenditures is such that an application  
27 under section 41 of the *Act* for prior approval is not practical or possible.  
28  
29

30 **IT IS THEREFORE ORDERED THAT:**  
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32 1. The addition of a supplementary amount of \$108,000 to the 2021 Allowance for Unforeseen  
33 Items is approved.  
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35 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 20<sup>th</sup> day of May, 2021.



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Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer



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Christopher Pike, LL.B., FCIP  
Commissioner



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Cheryl Blundon  
Board Secretary