P.U. 26 (2003)

**IN THE MATTER OF** the **PUBLIC UTILITIES ACT**, R.S.N. 1990, c. P-47, as amended ("the *Act*")

AND

**IN THE MATTER OF** the application by **Newfoundland Power Inc.** ("the Applicant") for approval of capital expenditures supplemental to the Applicant's approved 2003 capital budget, to proceed with the construction and purchase of certain improvements to its property pursuant to Section 41 of the Act.

**WHEREAS** the Applicant is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to the provisions of the *Electrical Power Control Act, 1994*; and

WHEREAS Kiewit Offshore Services, a division of Peter Kiewit Sons' Co. Ltd., (the "Customer") is the operator of a marine industrial fabrication facility at Cow Head, near Marystown (the "Facility"); and

WHEREAS the Applicant provides electrical service to the Facility via a three-phase distribution line (the "Feeder"), which is supplied from the Applicant's Linton Lake Substation (the "Substation"); and

**WHEREAS** changes to the Customer's industrial operations at the Facility have increased the Customer's electrical capacity requirements and, in order for the Applicant to meet the Customer's electrical service requirements, it is necessary that the Applicant construct certain improvements and additions at the Substation and upgrade the Feeder; and

**WHEREAS** a report detailing the required improvements, additions and upgrades was submitted as Schedule "A" to the Application; and

**WHEREAS** in Order No. P.U. 36 (2002-2003) the Board approved the Applicant's 2003 Capital Budget for improvements and additions to property in the amount of \$55,290,000, and in Order No. P.U. 19 (2003) the Board approved additional capital expenditures of \$425,000; and

**WHEREAS** in Order No. 36 (2002-2003) the Board approved expenditures of \$5,887,000 for substations; and

**WHEREAS** the estimated cost of the required improvements and additions at the Substation is \$271,000, and this expenditure will require a corresponding increase to the Substations budget category; and

**WHEREAS** in Order No. P.U. 36 (2002-2003) the Board approved expenditures of \$4,322,000 for distribution extensions; and

**WHEREAS** the estimated cost to upgrade the Feeder is \$450,000, and this expenditure will require a corresponding increase to the Distribution Extensions budget category; and

**WHEREAS** the proposed expenditures are necessary for the Applicant to provide service and facilities which are reasonably safe and adequate and just and reasonable as required pursuant to s. 37 of the Act.

## **IT IS THEREFORE ORDERED THAT:**

- 1. Pursuant to Section 41of the Act, the Board approves:
  - (a) the construction projects and capital purchases in excess of \$50,000, as set forth in Schedule B to the Application; and
  - (b) the revised 2003 capital budget as set forth in Schedule C to the Application.

**DATED** at St. John's, Newfoundland and Labrador, this 25<sup>th</sup> day of July, 2003.

Robert Noseworthy, Chair & Chief Executive Officer.

G. Fred Saunders, Commissioner.

G. Cheryl Blundon, Director of Corporate Services and Board Secretary.