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4 **P. U. 10(2006)**  
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7 **IN THE MATTER OF** the *Public*  
8 *Utilities Act*, R.S.N.L. 1990, c. P-47,  
9 as amended (the "*Act*")  
10

11 **AND**  
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13 **IN THE MATTER OF** an Application by  
14 Newfoundland & Labrador Hydro ("Hydro")  
15 for approval of a proposed capital project for  
16 2006 – Charlottetown – Replacement of Diesel  
17 Generator pursuant to Section 41(3) of the *Act*.  
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19  
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21 **WHEREAS** Hydro is a corporation continued and existing under the Hydro Corporation Act, is  
22 a public utility within the meaning of the *Act*, and is subject to the provisions of the *Electrical*  
23 *Power Control Act, 1994*; and  
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25 **WHEREAS** Section 41(3) of the *Act* requires that a public utility shall not proceed with the  
26 construction, purchase or lease of improvements or additions to its property where:  
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- 28 (a) the cost of construction or purchase is in excess of \$50,000; or  
29 (b) the cost of the lease is in excess of \$5,000 in a year of the lease  
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31 without the prior approval of the Board of Commissioners of Public Utilities (the "Board"); and  
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33 **WHEREAS** by Order No. P. U. 31 (2005) the Board approved Hydro's 2006 capital  
34 expenditures in the amount of \$42,636,000; and  
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1   **WHEREAS** on February 2, 2006 Hydro filed an application with the Board pursuant to Section  
2   41(3) of the *Act*, seeking approval of additional 2006 capital expenditures totalling \$183,800 for  
3   the purchase and installation of a 725 kW engine for a diesel generating unit at Hydro's diesel  
4   generating station in Charlottetown to replace Unit # 2060, one of the same capacity that has  
5   failed and is uneconomic to repair; and

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7   **WHEREAS** Hydro provided as a Schedule to the application a capital proposal explanation for  
8   this diesel engine replacement in accordance with the guidelines in Section 3 of Order No. P.U.  
9   7(2002-2003); and

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11   **WHEREAS** the Board has considered the application, including the explanations contained in  
12   Schedule A, and is satisfied that the proposed expenditure is prudent and necessary in order to  
13   provide reasonably safe and adequate and just and reasonable service as required by the *Act*.

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16   **IT IS THEREFORE ORDERED THAT:**

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18       1. Pursuant to Section 41(3) of the *Act*, the Board approves the supplemental 2006 capital  
19       expenditure as follows:

20               (i)     an amount of \$183,800 for the replacement of a diesel engine for a generating  
21               unit at Hydro's Charlottetown diesel generating station.

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23       2.     Hydro shall pay the expenses of the Board incurred in connection with this matter.

**DATED** at St. John's, Newfoundland and Labrador, this 13<sup>th</sup> day of March 2006.

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Robert Noseworthy  
Chair and Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chairperson

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G. Cheryl Blundon  
Board Secretary