

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

AN ORDER OF THE BOARD

NO. P.U. 40(2009)

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

5
6 **AND**

7
8 **IN THE MATTER OF** an Application by
9 Newfoundland and Labrador Hydro (“Hydro”)
10 for approval of the replacement of microwave
11 radio equipment between the Godaleich Hill
12 Microwave Site and the Upper Salmon
13 Generating Station (the “Application”), pursuant
14 to Subsection 41(3) of the *Act*,

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16
17 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is
18 a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and

19
20 **WHEREAS** on October 9, 2009 Hydro applied to the Board requesting approval of the capital
21 expenditure of \$196,500 for the replacement of microwave radio equipment between the
22 Godaleich Hill Microwave Site and the Upper Salmon Generating Station; and

23
24 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
25 construction, purchase or lease of improvements or additions to its property where:

- 26
27 a) the cost of construction or purchase is in excess of \$50,000; or
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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 prior approval of the Board; and

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33 **WHEREAS** in Order No. P.U. 36(2008) issued December 23, 2008 the Board approved, *inter*
34 *alia*, Hydro’s 2009 Capital Budget of \$47,856,000; and

1 **WHEREAS** the Board approved supplementary 2009 Capital expenditures in:
2

- 3 (i) Order No. P.U. 4(2009) in the amount of \$351,000 for the replacement of the
4 power transformer at the Wiltondale terminal station due to a failure of the
5 existing transformer;
- 6 (ii) Order No. P.U. 8(2009) in the amount of \$1,092,900 for the replacement of
7 programmable logic controllers at the Holyrood Thermal Generating Station's
8 Gas Turbine Plant;
- 9 (iii) Order No. P. U. 10(2009) in the amount of \$703,700 for the upgrade of the
10 continuous emission monitoring system at the Holyrood Thermal Generating
11 Station;
- 12 (iv) Order No. P. U. 16(2009) in the amount of \$93,000 for the extension of the
13 parking lot at Hydro Place;
- 14 (v) Order No. P. U. 19(2009) in the amount of \$191,600 to install cold reheat
15 condensate drains and high-pressure heater trip on Unit 2 at the Holyrood
16 Thermal Generating Station in place of the same project for Unit 1;
- 17 (vi) Order No. P. U. 23(2009) in the amount of \$160,800 for the development of an
18 on-line WPC training software program; and
- 19 (vii) Order No. P.U. 28(2009) in the amount of \$1,895,000 for a Condition Assessment
20 and Life Extension Study for the Holyrood Thermal Generating Station; and
- 21 (viii) Order No. P. U. 31(2009) in the amount of \$2,804,700 for the rehabilitation of the
22 Nain Diesel Generating Plant; and
- 23 (ix) Order No. P. U. 33(2009) in the amount of \$2,086,200 for the refurbishment of a
24 gas turbine generator to be located in the Stephenville Gas Turbine Plant; and
- 25 (x) Order No. P. U. 34(2009) in the amount of \$1,136,000 for the Hinds Lake
26 powerhouse slope stabilization; and
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28 **WHEREAS** Hydro owns, operates and maintains the Godaleich Hill Microwave Site which
29 provides communications to the Upper Salmon Generating Station via Alcatel MDR-6000
30 microwave radio; and
31

32 **WHEREAS** this microwave radio system is the communications link that permits the remote
33 operation of the 84 MW Upper Salmon hydro-electric generating station and the Ebbegunbaeg
34 control structure which controls the release of water between Meelpaeg Lake and Upper Salmon
35 hydro-electric plant; and
36

37 **WHEREAS** this communications link is essential to the safe and reliable operation of the hydro-
38 electric plants on the Bay D'Espoir watershed; and
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40 **WHEREAS** in August 2009 the microwave radio link between the Godaleich Hill Microwave
41 Site and the Upper Salmon Generating Station experienced a failure in one of its modules which
42 is irreparable; and

1 **WHEREAS** the Alcatel MDR-6000 radio has been discontinued by the manufacturer and the
2 necessary replacement parts are not available; and

3
4 **WHEREAS** the Board has reviewed the supporting documentation filed with the Application in
5 the context of the *Act* and the Capital Budget Application Guidelines issued by the Board; and

6
7 **WHEREAS** the Board is satisfied that it is reasonable and prudent to approve the expenditure of
8 \$196,500 for the replacement of microwave radio equipment between the Godaleich Hill
9 Microwave Site and the Upper Salmon Generating Station.

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11 **IT IS THEREFORE ORDERED THAT:**

- 12
13 1. The proposed capital expenditure of \$196,500 for the replacement of microwave radio
14 equipment between the Godaleich Hill Microwave Site and the Upper Salmon Generating
15 Station is approved.
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17 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 21st day of October 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chairperson

Cheryl Blundon
Board Secretary