

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

**AN ORDER OF THE BOARD**

**NO. P.U. 11(2017)**

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  
8 Newfoundland and Labrador Hydro for approval to  
9 replace equipment at the Wabush Terminal Station  
10 pursuant to section 41 of the *Act*.  
11  
12

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

17 **WHEREAS** subsection 41(3) of the *Act* requires that a public utility not proceed with the  
18 construction, purchase or lease of improvements or additions to its property where:  
19

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

23 without prior approval of the Board; and  
24

25 **WHEREAS** in Order No. P.U. 45(2016) the Board approved Hydro's 2017 Capital Budget in  
26 the amount of \$271,265,600; and  
27

28 **WHEREAS** the Board approved supplementary 2017 capital expenditures:  
29

- 30 (i) in Order No. P.U. 5(2017) in the amount of \$3,045,000 to construct a  
31 distribution feeder at the Bottom Waters Terminal Station;  
32 (ii) in Order No. P.U. 7(2017) in the amount of \$3,168,944 to lease, sublease and  
33 purchase transmission lines and electrical equipment to serve Labrador West;  
34 and  
35 (iii) in Order No. P.U. 10(2017) in the amount of \$1,349,200 to replace the exciter  
36 controls for Units 1 and 2 at the Holyrood Thermal Generating Station; and  
37

38 **WHEREAS** on March 17, 2017 Hydro applied to the Board for approval of a capital  
39 expenditure in the amount of \$2,912,500 to replace equipment and complete a level 2 condition

1 assessment of the synchronous condensers at the Wabush Terminal Station (the “Application”);  
2 and

3  
4 **WHEREAS** the Application stated that many of the assets in the Wabush Terminal Station,  
5 which was acquired by Hydro in September 2016, are nearing the end of their useful lives and  
6 inspections have indicated that immediate work is required to maintain reliable operation of the  
7 station; and

8  
9 **WHEREAS** the Application stated that, to address immediate risks related to the reliable  
10 supply of electricity to customers, Hydro is proposing to proceed with the following work at  
11 the Wabush Terminal Station:

- 12  
13 (i) the replacement of one 46 kV circuit breaker, 46-33, and the completion of  
14 breaker and feeder protection upgrades for this circuit breaker;  
15 (ii) the replacement of thirty-six 46 kV post insulators, twenty-four 46 kV  
16 suspension insulators, and twenty-four 230 kV suspension insulators;  
17 (iii) purchase and replacement of shaft seals and resistance rings for synchronous  
18 condenser 1 and 2; and  
19 (iv) the completion of Level 2 condition assessments of synchronous condenser 1  
20 and 2; and

21  
22 **WHEREAS** the Application set out a budget estimate in the amount of \$2,585,200 for 2017  
23 and \$327,300 for 2018 and explained that a two-year schedule is required to initiate  
24 procurement of the insulators in 2017 to allow for installation in 2018; and

25  
26 **WHEREAS** the Application stated that the proposed capital expenditures are required to  
27 ensure that Hydro can continue to provide service which is safe and adequate and just and  
28 reasonable; and

29  
30 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer  
31 Advocate, Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited and NARL Refining  
32 Limited Partnership; Vale Newfoundland and Labrador Limited; Praxair Canada Inc.; and Teck  
33 Resources Limited; and

34  
35 **WHEREAS** no requests for information or comments were filed with the Board; and

36  
37 **WHEREAS** Hydro filed a submission on March 31, 2017, noting that there were no comments  
38 filed by the parties and submitting that the capital works are necessary to provide service which  
39 is safe and adequate and just and reasonable; and

40  
41 **WHEREAS** the Board is satisfied that the proposed multi-year project to begin in 2017 to  
42 replace equipment and complete a level 2 condition assessment at the Wabush Terminal  
43 Station is necessary to allow Hydro to provide service and facilities which are reasonably safe  
44 and adequate and just and reasonable.

1 **IT IS THEREFORE ORDERED THAT:**  
2

3 1. The proposed project to:

- 4 (i) replace one 46 kV circuit breaker, 46-33, and complete breaker and feeder  
5 protection upgrades for this circuit breaker;  
6 (ii) replace thirty-six 46 kV post insulators, twenty-four 46 kV suspension insulators,  
7 and twenty-four 230 kV suspension insulators;  
8 (iii) purchase and replace shaft seals and resistance rings for synchronous condenser 1  
9 and 2; and  
10 (iv) complete Level 2 condition assessments of synchronous condenser 1 and 2  
11

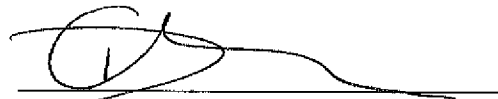
12 is approved, with estimated capital expenditures in the amounts of \$2,585,200 in 2017 and  
13 \$327,300 in 2018.  
14

15 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 10<sup>th</sup> day of April, 2017.



\_\_\_\_\_  
Darlene Whalen, P.Eng.  
Vice-Chair



\_\_\_\_\_  
Dwanda Newman  
Commissioner



\_\_\_\_\_  
Cheryl Blundon  
Board Secretary