

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

AN ORDER OF THE BOARD

NO. P.U. 32(2020)

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 2020
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
14

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
18

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:

- 21 a) the cost of construction or purchase is in excess of \$50,000; or
22 b) the cost of the lease is in excess of \$5,000 in a year of the lease
23 without prior approval of the Board; and
24

25 **WHEREAS** in Order No. P.U. 6(2020) the Board approved Hydro’s 2020 Capital Budget in the
26 amount of \$107,576,100; and
27

28 **WHEREAS** the Board approved supplementary 2020 capital expenditures

- 29 (i) in Order No. P.U. 7(2020) in the amount of \$2,059,400 for the construction
30 and installation of an electric vehicle fast charging network, including Level
31 3 direct current fast chargers and Level 2 chargers at 14 locations across the
32 island between St. John’s and Port Aux Basques;
33 (ii) in Order No. P.U. 14(2020) in the amount of \$7,638,200 for capital projects
34 necessary for the continued operation of the Holyrood Thermal Generation
35 Station;
36 (iii) in Order No. P.U. 25(2020) for the interconnection and integration of the St.
37 Mary’s River Energy Photovoltaic and Battery Energy Storage System in the

- 1 amount of \$532,860 plus HST to be recovered through a charge to St. Mary's
2 River Energy LLP; and
3 (iv) in Order No. P.U. 26(2020) for the replacement of the line protection relays
4 located in the Wabush Terminal Station for transmission lines L34 and L35
5 in the amount of \$259,300 to be fully contributed by and specifically assigned
6 to Tacora Resources Inc.; and
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8 **WHEREAS** on October 29, 2020 Hydro filed an application with the Board requesting approval
9 of a supplementary amount of \$216,410 to be added to the Allowance for Unforeseen Items (the
10 "Application"); and
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12 **WHEREAS** the Application stated that Hydro has executed unforeseen projects in 2020 including:
13 (i) a 2020 spend in the amount of \$142,853 relating to the Charlottetown Diesel
14 Plant Fire, an unforeseen capital project continued from 2019; and
15 (ii) \$73,567 for the replacement of a failed generator to ensure the provision of
16 reliable service to the customers of Charlottetown and Pinsent's Arm; and
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18 **WHEREAS** on September 14, 2020 Hydro notified the Board that it estimates an additional
19 \$120,000 for the replacement of a failed engine in the Town of Port Hope Simpson will be
20 incurred; and
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22 **WHEREAS** the Application stated that it is prudent to maintain a sufficient amount in the
23 Allowance for Unforeseen Items to permit Hydro to address unforeseen events that may arise
24 during the remainder of 2020, particularly during the critical winter months, and requested that the
25 Board approve a supplementary amount of \$216,420, equal to the costs incurred as of September
26 30, 2020; and
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28 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
29 Dennis Browne, Q.C.; Hydro's Island Industrial customers: Corner Brook Pulp and Paper Limited,
30 NARL Refining Limited Partnership, Vale Newfoundland and Labrador Limited; the communities
31 of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City; Praxair Canada Inc. and
32 Teck Resources Limited; and
33

34 **WHEREAS** the Board did not receive any comments on this Application; and
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36 **WHEREAS** on November 9, 2020 Hydro filed a reply requesting the Board approve the
37 Application; and
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39 **WHEREAS** the Capital Budget Guidelines issued by the Board in October 2007 permit a utility
40 to apply for approval of a supplementary amount provided the utility shows that usage of the
41 Allowance for Unforeseen Items has been consistent with the guidelines; and
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43 **WHEREAS** the Board is satisfied that the 2020 Allowance for Unforeseen Items should be
44 replenished by \$216,420 effective immediately to allow Hydro to proceed expeditiously with
45 emergency capital expenditures where the nature of these expenditures is such that an application
46 under section 41 of the *Act* for prior approval is not practical or possible.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The addition of a supplementary amount of \$216,420 to the 2020 Allowance for Unforeseen
4 Items is approved.

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

DATED at St. John's, Newfoundland and Labrador, this 16th day of November, 2020.



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



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary