

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

**AN ORDER OF THE BOARD**

**NO. P.U. 7(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  
9 approval of a capital expenditure for the  
10 construction and installation of an electric  
11 vehicle fast charging network across the  
12 island 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

- 22 a) the cost of construction or purchase is in excess of \$50,000; or
- 23 b) the cost of the lease is in excess of \$5,000 in a year of the lease  
24

25 without prior approval of the Board; and  
26

27 **WHEREAS** in Order No. P.U. 6(2020) the Board approved Hydro’s 2020 Capital Budget in the  
28 amount of \$107,576,100; and  
29

30 **WHEREAS** on December 19, 2019 Hydro filed an application with the Board requesting approval  
31 of a capital expenditure in the amount of \$2,059,400 for the construction and installation of an  
32 electric vehicle fast charging network, including Level 3 direct current fast chargers and Level 2  
33 chargers at 14 locations across the island between St. John’s and Port Aux Basques (the  
34 “Application”); and  
35

36 **WHEREAS** the Application stated that a \$1.8 million contribution to the cost of the project has  
37 been secured through government funding and that the remaining funds will be contributed by  
38 Hydro but will not be included in its regulated rate base or recovered from customers; and

1 **WHEREAS** the Application stated that Hydro will file a further application in the first quarter of  
2 2020 regarding the consideration to be recovered from electric vehicle (“EV”) owners; and

3  
4 **WHEREAS** the Application stated that there are approximately 185 registered EVs in  
5 Newfoundland and Labrador; and

6  
7 **WHEREAS** the Application stated that the Province is the only Province in Canada currently  
8 without a high speed Level 3 direct current fast chargers EV charging network and submitted that  
9 the lack of a provincial fast charging network is a key barrier to market development for EVs in  
10 the Province; and

11  
12 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
13 the Consumer Advocate, Dennis Browne, Q.C. (the “Consumer Advocate”); a group of Island  
14 Industrial customers: Corner Brook Pulp and Paper Limited; NARL Refining Limited Partnership;  
15 Vale Newfoundland & Labrador Limited (the “Industrial Customer Group”); Teck Resources  
16 Limited and Praxair Canada Inc.; and

17  
18 **WHEREAS** requests for information were filed by the Board and Newfoundland Power Inc.  
19 which were answered by Hydro on January 15, 2020; and

20  
21 **WHEREAS** on January 28, 2020 Newfoundland Power submitted that as the proposed  
22 expenditures will not be included in Hydro’s regulated rate base or recovered from customers it  
23 does not oppose the capital expenditures proposed and that any order approving the proposed  
24 capital expenditures should clearly provide that no costs associated with the Application should be  
25 borne by Newfoundland Power’s customers; and

26  
27 **WHEREAS** Newfoundland Power noted that Hydro will file a further application regarding the  
28 consideration Hydro intends to recover from EV owners, and submitted that several determinations  
29 must be made before any costs are approved for recovery; and

30  
31 **WHEREAS** on January 28, 2020 the Industrial Customer Group submitted that Newfoundland  
32 Power’s stipulation that no costs associated with the Application should be borne by their  
33 customers be extended to Industrial Customer Group customers; and

34  
35 **WHEREAS** on January 31, 2020 Hydro filed its reply submission and maintained that it will not  
36 recover the capital costs associated with the Application and submitted that the issues highlighted  
37 by Newfoundland Power in relation to cost recovery will be addressed in its application that will  
38 be filed in the first quarter of 2020; and

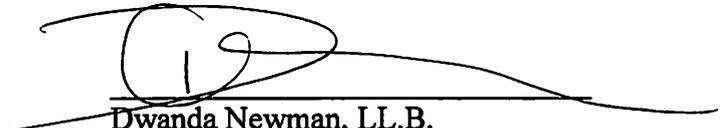
39  
40 **WHEREAS** on February 4, 2020 the Consumer Advocate acknowledged the Application and  
41 Newfoundland Power’s submission; and

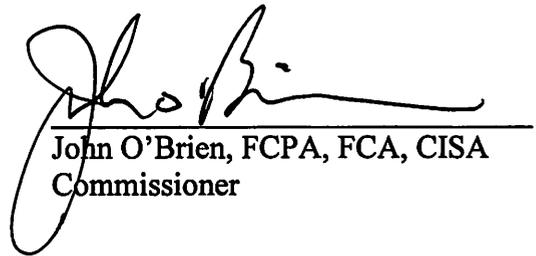
42  
43 **WHEREAS** the Board is satisfied that the proposed supplemental capital expenditure for the  
44 construction and installation of an electric vehicle fast charging network, including Level 3 direct  
45 current fast chargers and Level 2 chargers at 14 locations across the island between St. John’s and  
46 Port Aux Basques, should be approved and the costs related to the project should not be included  
47 in Hydro’s regulated rate base or recovered from customers.

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

- 3 1. The proposed capital expenditure in the amount of \$2,059,400 for the construction and  
4 installation of an electric vehicle fast charging network, including the installation of Level 3  
5 direct current fast chargers and Level 2 chargers at 14 locations across the island, is approved  
6 and the costs associated with this project shall not be included in Hydro's regulated rate base  
7 and shall not be recovered from customers.  
8  
9 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 24<sup>th</sup> day of February, 2020.

  
Dwanda Newman, LL.B.  
Vice-Chair

  
John O'Brien, FCPA, FCA, CISA  
Commissioner

  
Cheryl Blundon  
Board Secretary