

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

AN ORDER OF THE BOARD

NO. P.U. 10(2021)

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 Power Inc. for an Order
9 pursuant to sections 41 and 78 of the *Act*:

- 10 (a) approving a 2021 Capital Budget of
11 \$111,298,000;
12 (b) approving certain capital expenditures
13 related to multi-year projects commencing
14 in 2021; and
15 (c) fixing and determining a 2019 rate base of
16 \$1,153,556,000; and
17

18 **IN THE MATTER OF** Order No. P.U. 37(2020) in
19 relation to Newfoundland Power Inc.’s 2021 Capital
20 Budget Application; and
21

22 **IN THE MATTER OF** Newfoundland Power’s request
23 for approval of proposed expenditures associated with a
24 new substation for St. John’s North-Portugal Cove.
25
26

27 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized
28 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility
29 within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and
30

31 **WHEREAS** on July 9, 2020 Newfoundland Power filed its 2021 Capital Budget Application with
32 the Board of Commissioners of Public Utilities (the “Board”); and
33

34 **WHEREAS** on December 15, 2020 the Board issued Order No. P.U. 37(2020) approving
35 Newfoundland Power’s 2021 Capital Budget in the amount of \$94,601,000 which excluded
36 expenditures associated with a proposed new substation for St. John’s North-Portugal Cove on the
37 basis that further information was required in relation to this project; and
38

39 **WHEREAS** in Order No. P.U. 37(2020) the Board directed Newfoundland Power to provide
40 additional information in relation to whether the proposed expenditures associated with the new

1 St. John's North-Portugal Cove substation should be approved in the current circumstances given
2 that the project was justified based on load growth and there had been significant changes with
3 respect to the economic conditions in the Province since the filing of the 2021 Capital Budget
4 Application; and

5
6 **WHEREAS** on February 12, 2021 Newfoundland Power, pursuant to Order No. P.U. 37(2020),
7 filed additional documentation, which included updated information with respect to the load
8 forecast, the impact of transformer overload conditions and the study area outlook, as well as a
9 reassessment of alternatives; and

10
11 **WHEREAS** on February 15, 2021 the Board advised the Consumer Advocate, Dennis Browne,
12 Q.C. (the "Consumer Advocate") and Newfoundland and Labrador Hydro ("Hydro"), the
13 intervenors in the 2021 Capital Budget Application, that further requests for information ("RFIs")
14 and submissions may be filed; and

15
16 **WHEREAS** no RFIs were filed by the Consumer Advocate or Hydro and the Board issued one
17 additional RFI which was answered by Newfoundland Power on March 1, 2021; and

18
19 **WHEREAS** the Consumer Advocate did not file any comments with respect to the proposed St.
20 John's North-Portugal Cove substation project and on March 4, 2021 Hydro advised that it had no
21 comments; and

22
23 **WHEREAS** the Board finds that the additional information filed by Newfoundland Power
24 demonstrates that the proposed new St. John's North-Portugal Cove substation continues to be
25 justified in the circumstance on the basis that:

- 26 • forecast customer growth has not been significantly impacted by the current negative
27 economic conditions associated with COVID-19 and that commercial and residential
28 growth has continued into 2021;
- 29 • violations of Newfoundland Power's planning criteria continue to be forecast beginning
30 in 2021, as three of the six transformers supplying the area are forecast to be overloaded
31 under normal operating conditions; and
- 32 • that all reasonable alternatives were considered and the new substation is the least cost
33 alternative under a base case and high and low load forecast scenarios; and

34
35 **WHEREAS** the Board is satisfied that the proposed capital expenditures associated with the new
36 St. John's North-Portugal Cove substation are reasonable and necessary to ensure the continued
37 provision of a safe and reliable electricity supply to Newfoundland Power's customers and should
38 be approved.

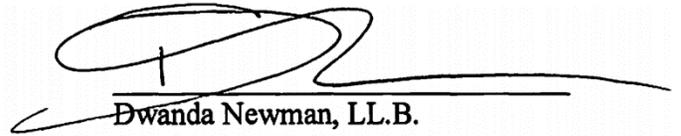
39
40
41 **IT IS THEREFORE ORDERED THAT:**

- 42
43 1. Newfoundland Power's proposed capital expenditures associated with the new St. John's
44 North-Portugal Cove substation, in the amount of \$6,794,000, are approved.
- 45
46 2. Newfoundland Power's 2021 Capital Budget for improvements or additions to its property
47 approved in Order No. P.U. 37(2020) is amended, as set out in Schedule A to this Order.
- 48
49 3. Newfoundland Power shall pay all expenses of the Board arising from this application.

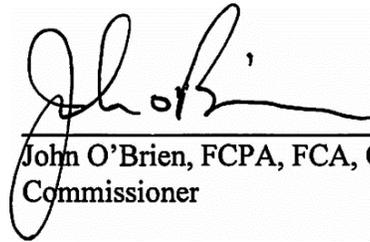
DATED at St. John's, Newfoundland and Labrador, this 26th day of March, 2021.



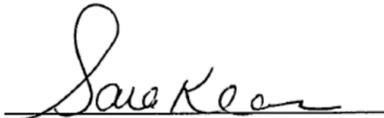
**Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer**



**Dwanda Newman, LL.B.
Vice-Chair**



**John O'Brien, FCPA, FCA, CISA
Commissioner**



**Sara Kean
Assistant Board Secretary**

Schedule A
Order No. P.U. 10(2021)
2021 Capital Budget
Issued: March 26, 2021

Newfoundland Power Inc.
2021 Capital Budget
(000s)

| | |
|--|--------------------------------|
| 2021 Capital Budget approved in Order No. P.U.37(2020) | \$94,601 |
| St. John's North-Portugal Cove Substation: | |
| Additions Due to Load Growth | \$4,296 |
| Transmission Line Extension – 35L | \$1,343 |
| Feeder Additions for Load Growth | \$805 |
| Fibre Optic Cable Builds | \$350 |
| Approved 2021 Capital Budget | <u><u>\$101,395</u></u> |