

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

AN ORDER OF THE BOARD

NO. P.U. 5(2018)

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
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7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for an
9 Order approving, pursuant to section 41 of
10 the *Act*:

11 (a) its 2018 capital purchases and
12 construction projects in excess
13 of \$50,000;

14 (b) its 2018 Capital Budget; and

15 (c) its estimated contributions in
16 aid of construction for 2018;
17 and
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19 **IN THE MATTER OF** Order No. P.U. 43(2017)
20 in relation to Hydro’s 2018 Capital Budget application;
21 and
22

23 **IN THE MATTER OF** additional information
24 filed by Newfoundland and Labrador Hydro
25 pursuant to Order No. P.U. 43(2017).
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28 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
29 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
30 and is also subject to the provisions of the *EPCA*; and
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32 **WHEREAS** Hydro filed its 2018 Capital Budget Application with the Board of Commissioners
33 of Public Utilities (the “Board”) on July 27, 2017; and
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35 **WHEREAS** on December 22, 2017 the Board issued Order No. P.U. 43(2017) approving Hydro’s
36 2018 Capital Budget in the amount of \$170,868,300 and deferring consideration of two projects
37 on the basis that further information was required (the *Hydraulic Generation Refurbishment and*

1 *Modernization* project, and the *Muskrat Falls to Happy Valley – Goose Bay Interconnection*
2 project); and

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4 **WHEREAS** on January 29, 2018 pursuant to Order No. P.U. 43(2017) Hydro submitted revised
5 documentation relating to the two deferred projects; and

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7 **WHEREAS** on February 12, 2018 the Board advised the Consumer Advocate, Dennis Browne,
8 Q.C.; Newfoundland Power Inc. (“Newfoundland Power”); and Corner Brook Pulp and Paper
9 Limited, NARL Refining LP, and Vale Newfoundland and Labrador Limited (“Industrial
10 Customer Group”) that further submissions may be filed regarding the revised documentation filed
11 by Hydro; and

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13 **WHEREAS** on February 16, 2018 Newfoundland Power filed its submission stating that it was
14 satisfied that the additional information submitted in support of the *Hydraulic Generation*
15 *Refurbishment and Modernization* project is sufficient to enable the Board to approve the project;
16 and

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18 **WHEREAS** on February 16, 2018 the Industrial Customer Group advised that the group had no
19 comments on the revised information filed pursuant to Board Order No. P.U. 43(2017); and

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21 **WHEREAS** on February 16, 2018 the Labrador Interconnected Group (Labrador City, Wabush,
22 Happy Valley-Goose Bay and Sheshatshiu Innu First Nation) and the Iron Ore Company of Canada
23 (“IOC”) filed requests for intervenor status and submissions relating to the *Muskrat Falls to Happy*
24 *Valley – Goose Bay Interconnection* project; and

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26 **WHEREAS** on February 22, 2018 Hydro filed further submissions which stated that the *Hydraulic*
27 *Generation Refurbishment and Modernization* project should be approved as filed given that
28 Newfoundland Power was of the opinion that this project should be approved and that IOC and
29 the Labrador Interconnected Group did not comment on this project; and

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31 **WHEREAS** the Board is satisfied that the *Hydraulic Generation Refurbishment and*
32 *Modernization* project should be addressed at this time and the *Muskrat Falls to Happy Valley –*
33 *Goose Bay Interconnection* project should be addressed in a subsequent Order of the Board; and

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35 **WHEREAS** the Board has reviewed the additional information filed by Hydro in relation to the
36 *Hydraulic Generation Refurbishment and Modernization* project and is satisfied that the revised
37 format of the information facilitates a better understanding of the twelve individual projects and
38 meets the requirements of the legislation and the Capital Budget Guidelines and that the
39 information filed adequately details the proposed expenditures, the individual justifications, and
40 potential alternatives; and

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42 **WHEREAS** the Board is satisfied that the proposed capital expenditures in relation to the
43 *Hydraulic Generation Refurbishment and Modernization* project are reasonable and necessary to
44 ensure the continued provision of a safe and reliable electricity supply to Hydro’s customers.

IT IS THEREFORE ORDERED THAT:

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1. Hydro’s proposed capital expenditures for *Hydraulic Generation Refurbishment and Modernization* in the amount of \$10,325,400 in 2018 and \$4,283,100 in 2019 are approved.
2. Hydro’s multi-year construction and purchase of improvements or additions to its property in excess of \$50,000 to begin in 2018 approved in Order No. P.U. 43(2017) are amended, as set out in Schedule A to this Order.
3. Hydro’s 2018 Capital Budget for improvements or additions to its property approved in Order No. P.U. 43(2017) is amended, as set out in Schedule B to this Order.
4. Hydro shall pay all expenses of the Board arising from this application.

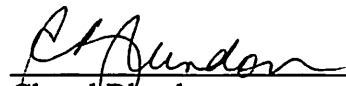
DATED at St. John’s, Newfoundland and Labrador, this 23rd day of February, 2018.



Darlene Whalen, P. Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



Cheryl Blundon
Board Secretary

Schedule A
Order No. P.U. 5(2018)
Multi Year Projects over \$50,000
Issued: February 23, 2018

NEWFOUNDLAND AND LABRADOR HYDRO
2018 CAPITAL BUDGET
PROJECTS OVER \$50,000
MULTI-YEAR PROJECTS
(\$000)

Multi-year Projects Commencing in 2018

PROJECT DESCRIPTION	2018	2019	2020	2021	2022	Total
Multi-Year Projects over \$50,000 approved in Order No. P.U. 43(2017)	33,386.7	52,359.6	3,715.0	0.0	0.0	89,461.3
Hydraulic Generation Refurbishment and Modernization (2018-2019)	10,325.4	4,283.1				14,608.5
Total Multi-Year Projects over \$50,000 commencing in 2018	43,712.1	56,642.7	3,715.0	0.0	0.0	104,069.8

Schedule B
Order No. P.U. 5(2018)
2018 Capital Budget
Issued: February 23, 2018

**NEWFOUNDLAND AND LABRADOR HYDRO
2018 CAPITAL BUDGET**

2018 Capital Budget approved in Order No. P.U. 43(2017)	\$	170,868,300
Hydraulic Generation Refurbishment and Modernization (2018-2019)		<u>10,325,400</u>
Approved 2018 Capital Budget	\$	<u><u>181,193,700</u></u>