

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

AN ORDER OF THE BOARD

NO. P.U. 39(2019)

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 Newfoundland
8 and Labrador Hydro for approval of a capital expenditure
9 for the construction of a line extension and the installation
10 of power usage monitoring and control equipment at the
11 BlockLab site pursuant to section 41 of the *Act*.
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13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
15 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
16 and is also subject to the provisions of the *EPCA*; and
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18 **WHEREAS** section 41 of the *Act* states that a public utility shall not proceed with the construction,
19 purchase or lease of improvements or additions to its property where:
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- 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

24 without prior approval of the Board; and
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26 **WHEREAS** in Order No. P.U. 46(2018) the Board approved Hydro’s 2019 Capital Budget in the
27 amount of \$116,140,700; and
28

29 **WHEREAS** the Board approved supplementary 2019 capital expenditures

- 30 (i) in Order No. P.U. 7(2019) in the amount of \$600,000 to be added to the
31 Allowance for Unforeseen Items;
- 32 (ii) in Order No. P.U. 22(2019) in the amount of \$259,500 to complete the
33 Hinds Lake Unit major overhaul and \$414,300 for Level II Condition
34 Assessments for Bay d’Espoir Penstock 4, Granite Canal Penstock and
35 Hinds Lake Penstock;
- 36 (iii) in Order No. P.U. 28(2019) in the amount of \$225,500 for refurbishment of
37 the Hardwoods gas turbine alternator exciter end bearing and the purchase
38 of an exciter bearing liner and thrust pads; and

- 1 (iv) in Order No. P.U. 33(2019) in the amount of \$393,500 for the refurbishment
2 and upgrade of an Olympus C gas generator to be used as a spare for the
3 Hardwoods and Stephenville gas turbine facilities; and
4

5 **WHEREAS** on December 4, 2019 Hydro filed an application with the Board requesting approval
6 of a capital expenditure of approximately \$244,000 for the construction of a line extension and the
7 installation of power usage monitoring and control equipment at the BlockLab site (the
8 “Application”); and
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10 **WHEREAS** the Application states that approximately \$192,550 of the estimated project costs will
11 be recovered from BlockLab; and
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13 **WHEREAS** the Application states that on June 5, 2018 Hydro entered into a temporary service
14 agreement with BlockLab to deliver an amount of temporary power up to a maximum demand of
15 7.75 MW and BlockLab is now ready to connect; and
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17 **WHEREAS** the Application states that BlockLab agrees to reduce its demand requirements within
18 30 minutes at Hydro’s request to ensure its temporary load requirements do not impede Hydro’s
19 ability to meet its contracted power obligations; and
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21 **WHEREAS** the Application states that the project includes the supply and install of a line tap,
22 including metering, on L36 from Wabush Terminal Station; the supply and install of a gang
23 operated disconnect switch outside the BlockLab site; the supply and install of a remote terminal
24 unit at the BlockLab site; and providing oversight for initial energization of the BlockLab site; and
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26 **WHEREAS** the Application was copied to: Newfoundland Power Inc; the Consumer Advocate,
27 Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited; NARL Refining Limited
28 Partnership; Vale Newfoundland & Labrador Limited; Iron Ore Company of Canada; the Labrador
29 Interconnected Group; Praxair Canada Inc. and Teck Resources Limited; and
30

31 **WHEREAS** on December 12, 2019 Hydro noted that no comments were received and requested
32 that the Board approve the Application as submitted; and
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34 **WHEREAS** the Board is satisfied that the proposed 2019 supplemental capital expenditure for
35 the construction of a line extension and the installation of power usage monitoring and control
36 equipment at the BlockLab site is necessary to ensure the continued provision of a safe and reliable
37 electricity supply to Hydro’s customers.
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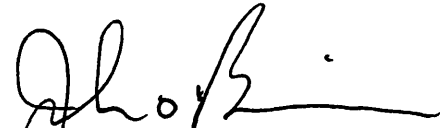
40 **IT IS THEREFORE ORDERED THAT:**
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- 42 1. The proposed capital expenditure in the amount of \$244,000 for the construction of a line
43 extension and the installation of power usage monitoring and control equipment at the
44 BlockLab site is approved.
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46 2. Hydro shall pay all expenses of the Board arising from this Application.

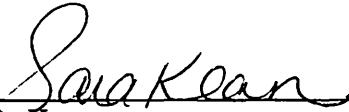
DATED at St. John's, Newfoundland and Labrador, this 17th day of December, 2019.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Sara Kean
Assistant Board Secretary