

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

**AN ORDER OF THE BOARD**

**NO. P.U. 20(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 and Labrador Hydro for approval  
9 of a capital expenditure to purchase Diesel Generator  
10 Unit 2102 for Charlottetown, Labrador pursuant to  
11 section 41 of the *Act*.  
12  
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 without prior approval of the Board  
20 where a) the cost of construction or purchase is in excess of \$50,000, or b) the cost of the lease is  
21 in excess of \$5,000 in a year of the lease; and  
22

23 **WHEREAS** in Order Nos. P.U. 2(2021) and P.U. 11(2021) the Board approved Hydro’s 2021  
24 Capital Budget in the amount of \$107,452,400; and  
25

26 **WHEREAS** the Board approved supplementary 2021 capital expenditures

27 (i) in Order No. P.U. 17(2021) in the amount of \$108,000 to top up the 2021  
28 Allowance for Unforeseen Items;

29 (ii) in Order No. P.U. 18(2021) in the amount of \$443,000 for the overhaul of the  
30 Holyrood Thermal Generating Station Unit 1 Boiler Feed Pump East; and  
31

32 **WHEREAS** on May 26, 2021 Hydro filed an application with the Board requesting approval of a  
33 capital expenditure in the amount of \$350,000 for the purchase of diesel generator Unit 2102 for  
34 Charlottetown, Labrador (the “Application”); and

1 **WHEREAS** the Application stated that the Charlottetown Diesel Generating Station (the  
2 “Station”) provides electrical service to approximately 290 customers in the communities of  
3 Charlottetown and Pinsent’s Arm with the largest customer being a shrimp processing plant; and  
4

5 **WHEREAS** the Application stated the Station and its three gensets were destroyed by fire on  
6 October 7, 2019 and that power was restored through the use of one of the two mobile generators  
7 which are used to meet the summer peak load from the shrimp processing plant; and  
8

9 **WHEREAS** the Application stated that it was determined at that time that a third unit was needed  
10 in Charlottetown to meet annual peak load and to ensure reliable energy supply until a long-term  
11 supply solution was implemented for the region, which is not anticipated to be in place until 2024;  
12 and  
13

14 **WHEREAS** the Application stated that, shortly after the 2019 fire, Unit 2102 at the Muskrat Falls  
15 site was identified as an appropriate unit and was placed into service at the Station as a temporary  
16 measure; and  
17

18 **WHEREAS** the Application further stated that Unit 2102 has been on loan to Hydro from Nalcor  
19 Energy (“Nalcor”) since that time at no cost to Hydro or its customers and that Nalcor recently  
20 indicated it will either need to sell the unit to Hydro or charge rental costs as the asset is being used  
21 solely for Hydro’s purposes; and  
22

23 **WHEREAS** the Application further stated that the purchase of Unit 2102 from Nalcor, at a cost  
24 of \$350,000, is the most appropriate and least-cost option to enable the continued supply of reliable  
25 power to Charlottetown and Pinsent’s Arm, Labrador; and  
26

27 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
28 the Consumer Advocate, Dennis Browne, Q.C. (the “Consumer Advocate”); Hydro’s Island  
29 Industrial customers: Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership,  
30 Vale Newfoundland and Labrador Limited; the communities of Sheshatshiu, Happy Valley-Goose  
31 Bay, Wabush, and Labrador City; and  
32

33 **WHEREAS** on June 1, 2021 Newfoundland Power advised that it had no comments regarding the  
34 Application; and  
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36 **WHEREAS** on June 1, 2021 the Consumer Advocate advised that he would not be participating  
37 in the Application; and  
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39 **WHEREAS** no other comments were received by the Board; and  
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41 **WHEREAS** on June 4, 2021 Hydro filed a reply requesting the Board approve the Application as  
42 submitted; and  
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44 **WHEREAS** the Board is satisfied that the proposed 2021 supplemental capital expenditure for  
45 the purchase of diesel generator Unit 2102 is necessary to enable the continued supply of reliable  
46 power to Charlottetown and Pinsent’s Arm, Labrador.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The proposed capital expenditure in the amount of \$350,000 for the purchase of diesel  
4 generator Unit 2102 for Charlottetown, Labrador 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 10<sup>th</sup> day of June, 2021.



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



Christopher Pike, LL.B., FCIP  
Commissioner



Cheryl Blundon  
Board Secretary