

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

AN ORDER OF THE BOARD

NO. P.U. 11(2025)

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 capital expenditures for the
10 replacement of learning management
11 software and reporting tools pursuant
12 to section 41 of the **Act**.
13
14

15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
16 under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is
17 also subject to the provisions of the **EPCA**; and
18

19 **WHEREAS** pursuant to section 41 of the **Act** and **Public Utilities Regulations**, NLR 40/23, a public
20 utility shall not proceed with the construction, purchase or lease of improvements or additions
21 to its property where the cost of construction or purchase is in excess of \$750,000 without prior
22 approval of the Board; and
23

24 **WHEREAS** in Order No. P.U. 28(2024), the Board approved Hydro’s 2025 Capital Budget in the
25 amount of \$135,712,800 and in Order No. P.U. 9(2025), the Board approved a supplementary
26 2025 capital expenditure in the amount of \$1,278,000 for the acquisition and installation of
27 upgrades to the diesel station and distribution system in Ramea; and
28

29 **WHEREAS** on February 7, 2025, Hydro filed an application requesting approval of a
30 supplementary capital expenditure in the amount of \$1,714,500 (\$1,518,600 in 2025 and
31 \$196,000 in 2026) for the replacement of learning management software and reporting tools (the
32 “Application”); and

1 **WHEREAS** as of January 1, 2025, assets previously held by Nalcor Energy (“Nalcor”) are now
2 Hydro assets, including the Information Systems infrastructure that supports and administers the
3 corporate information technology needs of the organization; and
4

5 **WHEREAS** the Application noted the Information System assets help Hydro conduct critical
6 business functions, including communications, customer service, financial management, and
7 human resources tasks as well as ensuring Hydro is compliant in its mandate to provide safe,
8 reliable, environmentally responsible, least-cost service to its customers; and
9

10 **WHEREAS** the Application stated that the learning management software and reporting tools are
11 outdated Information System assets that were identified for replacement prior to the
12 amalgamation of Nalcor and Hydro but procurement of a replacement had not been initiated;
13 and
14

15 **WHEREAS** the Application stated that without replacement of the learning management software
16 and reporting tools, there is risk that employees would fail to receive the training necessary to
17 conduct their work in a safe, proficient manner or that Hydro would lose the ability to organize
18 and analyze data to inform critical business decisions; and
19

20 **WHEREAS** the Application also stated existing learning management software and reporting tools
21 present a significant business risk for Hydro in meeting its operational needs and Occupation and
22 Health and Safety obligations, which contribute to Hydro’s ability to provide safe, reliable service
23 to customers; and
24

25 **WHEREAS** the Application stated that the proposed learning management software and reporting
26 tools will be utilized by both regulated and non-regulated functions, as well as by Hydro’s
27 subsidiaries and therefore, Hydro will calculate and recover costs utilizing the intercompany
28 shared services model, particularly the “Intercompany Transaction Costing Guidelines”; and
29

30 **WHEREAS** Hydro estimated that \$771,500 would be recovered from non-regulated functions and
31 subsidiaries, resulting in a net regulated capital cost of \$943,000; and
32

33 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
34 the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial Customers: Corner Brook
35 Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland
36 and Labrador Limited; and the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush,
37 and Labrador City; and
38

39 **WHEREAS** the Board did not receive any comments on this Application and on March 3, 2025
40 Hydro asked that the Board approve the Application as filed; and
41

42 **WHEREAS** the Board is satisfied that the proposed supplemental capital expenditure for the
43 replacement of the learning management software and reporting tools will allow Hydro to
44 continue to provide service that is safe and adequate, and just and reasonable.

1 **IT IS THEREFORE ORDERED THAT:**

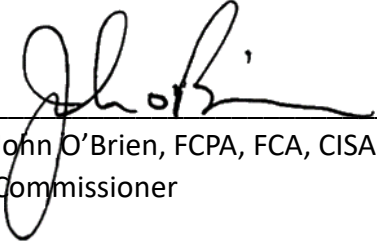
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3 1. The proposed capital expenditure in the amount of \$1,714,500 for the replacement of the
4 learning management software and reporting tools is approved.

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6 2. Hydro shall pay all expenses of the Board arising from this Application.

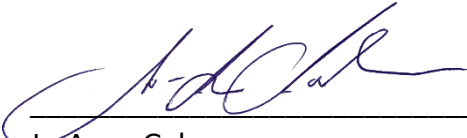
DATED at St. John's, Newfoundland and Labrador, this 20th day of March 2025.



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary