

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

AN ORDER OF THE BOARD

NO. P.U. 29(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** Order No. P.U. 28(2024) in
8 relation to Newfoundland and Labrador Hydro’s
9 2025 Capital Budget application; and
10

11 **IN THE MATTER OF** Newfoundland and Labrador
12 Hydro’s notification of change to project budget to
13 Perform a Level 2 Condition Assessment - Stage 1 and 2
14 Cooling Water Sump Structures (2025) - Holyrood.
15

16
17 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
18 under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is
19 also subject to the provisions of the **EPCA**; and
20

21 **WHEREAS** in Order No. P.U. 28(2024) the Board approved Hydro’s 2025 Capital Budget in the
22 amount of \$135,712,800 and specifically approved a project in the amount of \$891,900 to
23 Perform a Level 2 Condition Assessment - Stage 1 and 2 Cooling Water Sump Structures (2025) -
24 Holyrood; and
25

26 **WHEREAS** Hydro stated that the project was required to complete a Level 2 Condition Assessment
27 of the reinforced concrete support beams for the floor structure in the Stage 1 and 2 cooling
28 water sumps located in Pumphouse 1 & 2 at the Holyrood Thermal Generating Station (“TGS”)
29 and that the scope of work for 2025 included the procurement of stop logs, de-watering and
30 cleaning the sumps, erection of scaffold, and the condition assessment of the reinforced concrete
31 support beams; and
32

33 **WHEREAS** on June 3, 2025 Hydro notified the Board that the budget for the project had increased
34 significantly to a cost of \$2,802,166 primarily due to increased cost associated with de-watering
35 and cleaning of the sumps, and given the continued necessity of the Holyrood TGS, Hydro

1 believed that the proceeding with the project at the increased cost remained prudent and
2 necessary; and

3

4 **WHEREAS** notification of the change to the project budget was copied to: Newfoundland Power
5 Inc. (“Newfoundland Power”); the Consumer Advocate, Dennis Browne, KC; a group of Island
6 Industrial customers: Corner Brook Pulp and Paper Limited, Braya Renewable Fuels
7 (Newfoundland) GP Inc. and Vale Newfoundland & Labrador Limited (the “Industrial Customer
8 Group”); and the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador
9 City; and

10

11 **WHEREAS** the Board issued requests for information which were answered by Hydro on July 2,
12 2025, and

13

14 **WHEREAS** on July 9, 2025 Newfoundland Power and the Industrial Customer Group submitted
15 comments and supported Hydro’s proposal to proceed with the condition assessment at the
16 increased cost; and

17

18 **WHEREAS** on July 15, 2025 Hydro filed its reply stating the importance of the condition
19 assessment for the accurate determination of the current condition of the floor structures, which
20 is necessary to define the scope of the concrete refurbishment and develop and execute an
21 appropriate remediation strategy; and

22

23 **WHEREAS** on July 22, 2025 the Board issued further requests for information which were
24 answered by Hydro on August 1, 2025; and

25

26 **WHEREAS** in response to PUB-NLH-009, Hydro advised of a further change to the project budget
27 and scope of work; and

28

29 **WHEREAS** Hydro stated that due to constraints around equipment and outage availability, it has
30 determined that it is not possible to complete the inspection of both pumphouses in 2025 and is
31 proposing to proceed with the inspection of Pumphouse 2 at a revised cost of \$1,747,033 and
32 cancel the inspection of Pumphouse 1; and

33

34 **WHEREAS** Hydro further stated that it would extrapolate the findings from the condition
35 assessment on Pumphouse 2 to define the scope of Pumphouse 1 refurbishments and that while
36 there are risks associated with extrapolation of findings, deferral of the inspection of Pumphouse
37 1 until 2026 and the likely deferral of the subsequent required remediation of Pumphouse 1 until
38 after 2026 would expose the plant to undue risk; and

39

40 **WHEREAS** based on the additional information received, the Board set a schedule to allow for
41 further comment from the parties and reply from Hydro; and

42

43 **WHEREAS** on August 7, 2025 Newfoundland Power advised it had no further comment on the
44 notification of change in project budget; and

1 **WHEREAS** on August 11, 2025 Hydro filed its Reply stating the importance of performing the Level
2 2 condition assessment for the Pumphouse 2 Sump which would also inform the approach to the
3 work required for Pumphouse 1 Sump; and
4

5 **WHEREAS** the Board has determined that the change in the scope of work from that approved in
6 Order No. P.U. 28(2024) requires Board approval under the **Act**; and
7

8 **WHEREAS** the Board is satisfied that the proposed capital expenditure to Perform a Level 2
9 Condition Assessment of the Pumphouse 2 Sump will allow Hydro to determine the scope of
10 refurbishments required on Pumphouse 1 and 2 and will allow Hydro to continue to provide
11 service that is safe and adequate, and just and reasonable; and
12

13 **WHEREAS** the Board notes that, in response to PUB-NLH-009, the cost to complete sump de-
14 watering is a significant portion of the cost of the project and de-watering will be required to
15 complete both the proposed condition assessment and the expected refurbishment; and
16

17 **WHEREAS** the Board expects that Hydro will explore what, if any, remediation can be completed
18 within the same outage window to avoid duplicating the sump de-watering cost as part of a future
19 capital project.
20


21
22 **IT IS THEREFORE ORDERED THAT:**
23

- 24 1. The approval of the Board in Order No. P.U. 28(2024) to Perform a Level 2 Condition
25 Assessment - Stage 1 and 2 Cooling Water Structures (2025) - Holyrood in the amount of
26 \$891,900 is amended to allow a capital expenditure in the amount of \$1,747,003 to
27 perform a Level 2 Condition Assessment – Stage 1 and 2 Cooling Water Structures (2025)
28 – Holyrood - on Pumphouse 2.
29
- 30 2. Hydro shall pay all expenses of the Board arising from this Application.


DATED at St. John's, Newfoundland and Labrador, this 14th day of August 2025.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary