



Newfoundland and Labrador Hydro
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November 29, 2023

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Application for Approval of a Contribution by Braya Renewable Fuels (Newfoundland) GP Inc. ("Braya") for Braya-Specific Capital Work

Please find attached Newfoundland and Labrador Hydro's ("Hydro") application for approval of a contribution by Braya of the cost of improvements to property in Come By Chance, Newfoundland and Labrador ("Application").

Braya owns and operates a renewable fuels refinery in Come By Chance. In its "2023 Capital Budget Application," Hydro applied for the replacement of bushings on two transformers at the Come By Chance Terminal Station,¹ assets that serve only the Braya refinery. The proposed work was approved by the Board of Commissioners of Public Utilities ("Board") in Order No. P.U. 2(2023),² as further described in the Application.

It is consistent with regulatory practice that the customer will provide a contribution sufficient to cover the entirety of capital costs for assets that serve only that customer. As the relevant assets solely serve Braya, Hydro has provided the customer with the necessary information and they have acknowledged their responsibility for those costs.

Hydro's proposal in the Application is necessary to ensure that the costs of the project—with estimated total capital expenditures in 2023 and 2024 of \$419,600—are borne only by Braya, as the sole customer served by the assets. Hydro notes that the contributions for which Hydro is seeking approval herein are those that are required for projects or programs approved in the "2023 Capital Budget Application." Hydro anticipates filing an application for contributions associated with projects or programs newly proposed in its "2024 Capital Budget Application," following the anticipated approval of the 2024 Capital Budget Application.

¹ "2023 Capital Budget Application," Newfoundland and Labrador Hydro, July 13, 2022, vol. II, prog. 3, sec. 2.3.6, p. 11/18–19 and sec. 2.3.8.1 p. 13/11–17 and p. 14/1–4. The 2024 costs associated with the project were included in Hydro's "2024 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 21, 2023 (originally filed July 12, 2023).

² *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2023), Board of Commissioners of Public Utilities, January 26, 2023.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

ecc:

Board of Commissioners of Public Utilities

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Approval of a Contribution

By Braya Renewable Fuels (Newfoundland) GP Inc. for
Braya-Specific Capital Work

November 29, 2023

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for approval, pursuant to Subsection 41(5) of the *Act*, of a contribution by Braya Renewable Fuels (Newfoundland) GP Inc. (“Braya”) towards the cost of improvements to its property.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

1. Hydro, a corporation continued and existing under the *Hydro Corporation Act, 2007*,¹ is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.
2. Braya owns and operates a renewable fuels refinery in Come By Chance, Newfoundland and Labrador and receives electrical power through the Come By Chance Terminal Station.
3. In Hydro’s “2023 Capital Budget Application,” Hydro applied for approval of the replacement of bushings in two transformers at the Come By Chance Terminal Station, within the Terminal Station Renewal Program (2023-2024).² The transformers, T1 and T2, function to provide service solely to Braya; the bushings for these transformers are scheduled for replacement in 2024. Hydro’s initial application, and the 2023 costs associated with the project, was approved in Board Order No. P.U. 2(2023).³ The project’s estimated 2024 costs were included for approval in Hydro’s “2024 Capital Budget Application.”⁴
4. The aforementioned work is necessary to support the delivery of safe, reliable, least-cost electricity in an environmentally responsible manner. The transformer bushings identified for

¹ *Hydro Corporation Act, 2007*, SNL 2007 c H-17.

² “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. II, prog. 3, sec. 2.3.6, p. 11/18–19 and sec. 2.3.8.1 p. 13/11–17 and p. 14/1–4.

³ The project, and in particular the 2023 estimated costs, were approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2023), Board of Commissioners of Public Utilities, January 26, 2023.

⁴ “2024 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. September 21, 2023 (originally filed July 12, 2023).

replacement are suspected to contain PCBs;⁵ therefore, the work is necessary to comply with federal regulations.⁶

5. Hydro's practice regarding assets that serve only one Hydro customer is that the costs of construction and of ongoing maintenance of those assets are the responsibility of that customer. Those costs are not borne by other customers through rates or otherwise.
6. As noted previously, the assets solely serve Braya and the costs associated with these assets will be specifically assigned for recovery from Braya.
7. Hydro has provided Braya with the project cost estimates associated with these approved projects and Braya has acknowledged its responsibility for those costs.
8. The work described herein, more particularly set out in Schedule 1 attached hereto, has estimated capital expenditures of \$28,000 in 2023 and \$391,600 in 2024.
9. Hydro requests that the Board make an Order approving Hydro's request, pursuant to Section 41(5) of the *Act*, of a contribution by Braya of an amount equal to the capital cost of the work described herein.

DATED at St. John's in the province of Newfoundland and Labrador on this 29th day of November 2023.

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
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⁵ Polychlorinated biphenyls ("PCB").

⁶ The *Canadian Environmental Protection Act, 1999*, SC 1999, c 33 includes PCB Regulations (SOR/2008-273), which provide end-of-use dates for various concentrations of PCBs.

Schedule 1

Estimated Project Costs

Transformer T1 and T2 Bushing Replacement

Come by Chance



**Come by Chance ("CBC") Transformer T1 and T2 Bushing Replacement
Estimated Project Costs
(\$000)**

Asset Description	Asset Class	Replacement		2023	2024	Total
		Year				
CBC T1 X0 Bushing Replacement	Transformers	2024		14.0	195.8	209.8
CBC T2 X0 Bushing Replacement	Transformers	2024		14.0	195.8	209.8
			Total	28.0	391.6	419.6

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 ("*EPCA*") and the *Public Utilities Act, RSNL 1990*, Chapter P-47 ("*Act*"), and regulations thereunder

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("*Hydro*") for approval, pursuant to Subsection 41(5) of the *Act*, of a contribution by Braya Renewable Fuels (Newfoundland) GP Inc. ("*Braya*") towards the cost of improvements to its property

AFFIDAVIT

I, Dana Pope, of St. John's in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Vice President, Regulatory and Stakeholder Relations for Newfoundland and Labrador Hydro, the applicant named in the attached application.
- 2) I have read and understand the foregoing application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this application are true.

SWORN at St. John's in the)
province of Newfoundland and)
Labrador this 29th day of)
November, 2023, before me:)



Barrister



Dana Pope