

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

**AN ORDER OF THE BOARD
NO. P. U. 19(2009)**

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 "*EPCA*") and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the "*Act*"), as amended;

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro ("Hydro")
10 for approval of the installation of cold reheat
11 condensate drains and high-pressure heater trip
12 on Unit 2 at the Holyrood Thermal Generating
13 Station (the "Application"), pursuant to Section 41
14 of the *Act*.

15
16 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation*
17 *Act*, is a public utility within the meaning of the *Act*, and is subject to the provisions of
18 the *EPCA*; and

19
20 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with
21 the construction, purchase or lease of improvements or additions to its property where:

- 22
23 a) the cost of construction or purchase is in excess of \$50,000; or
24
25 b) the cost of the lease is in excess of \$5,000 in a year of the lease,

26
27 without prior approval of the Board; and

28
29 **WHEREAS** in Order No. P.U. 36(2008) issued December 23, 2008 the Board approved,
30 *inter alia*, Hydro's 2009 Capital Budget of \$47,856,000; and

31
32 **WHEREAS** in Order No. P.U. 4(2009) the Board approved a supplementary 2009
33 Capital Budget expenditure of \$351,000 for the replacement of the power transformer at
34 the Wiltendale terminal station due to a failure of the existing transformer; and

35
36 **WHEREAS** in Order No. P.U. 8(2009) the Board approved a further supplementary
37 2009 Capital Budget expenditure of \$1,092,900 for the replacement of programmable
38 logic controllers at the Holyrood Thermal Generating Station's Gas Turbine Plant; and

1 **WHEREAS** in Order No. P. U. 10(2009) the Board approved a further supplementary
2 2009 Capital Budget expenditure of \$703,700 for the upgrade to the continuous emission
3 monitoring system at the Holyrood Thermal Generating Plant; and
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5 **WHEREAS** in Order No. P. U. 16(2009) the Board approved a further supplementary
6 2009 Capital Budget expenditure of \$93,000 for an extension to the parking lot at its
7 main office building at 500 Columbus Drive, St. John's, NL; and
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9 **WHEREAS** Hydro's 2009 Capital Budget contained a proposal to install cold reheat
10 condensate drains and high-pressure heater trip on Unit 1 at the Holyrood Thermal
11 Generating Station, with a budget of \$191,600; and
12

13 **WHEREAS** Hydro, in its 2009 Capital Budget, stated that it had future plans for similar
14 installations on Units 2 and 3, in 2010 and 2011 respectively; and
15

16 **WHEREAS** the proposal and justification for the installation of these items is the same
17 for all three units; and
18

19 **WHEREAS** subsequent to its 2009 Capital Budget, Hydro determined that the
20 maintenance outage scheduled for Unit 1 from May 4th to July 24th would not allow
21 sufficient time to complete the design work and tenders required to complete the
22 approved Unit 1 work; and
23

24 **WHEREAS** Unit 2 is scheduled for its maintenance outage from July 13th to October
25 16th which would allow adequate time to complete the design and tender processes
26 associated with the installation of the cold reheat condensate drains and high-pressure
27 heater trip on Unit 2; and
28

29 **WHEREAS** Hydro has proposed that, given maintenance outage schedules, it is prudent
30 to complete the work on Unit 2 in 2009 rather than on Unit 1; and
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32 **WHEREAS** the \$191,600 approved in Order No. P.U. 36 (2008) to install cold reheat
33 condensate drains and high-pressure heater trip on Unit 1 would remain unchanged for the
34 same work on Unit 2; and
35

36 **WHEREAS** Paragraph (a) of subsection 41(3) of the *Act* requires that a public utility
37 obtain the prior approval of the Board before it proceeds with the construction or
38 purchase of improvements of its property where its costs are in excess of \$50,000; and
39

40 **WHEREAS** on April 27, 2009 Hydro applied to the Board requesting approval to
41 substitute the previously approved project to install cold reheat condensate drains and
42 high-pressure heater trip on Unit 1 at Holyrood with the same expenditure for the same
43 work on Unit 2; and

1 **WHEREAS** the Board has reviewed the Application and supporting documentation and
2 is satisfied that the substitution of the previously approved project to install cold reheat
3 condensate drains and high-pressure heater trip on Unit 1 at Holyrood with the same
4 project for Unit 2 is appropriate under the circumstances and should be approved.

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6
7 **IT IS THEREFORE ORDERED THAT:**

- 8
9 1. Pursuant to Section 41 of the *Act*, the Board approves the expenditure of \$191,600
10 to install cold reheat condensate drains and high-pressure heater trip on Unit 2 at
11 Holyrood in place of the same project for Unit 1.
12
13 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 7th day of May 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B
Commissioner

Cheryl Blundon
Board Secretary