

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

AN ORDER OF THE BOARD

NO. P.U. 34(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 pursuant to Subsection 41(3) of the *Act*, for
11 approval of the Hinds Lake powerhouse slope
12 stabilization.

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

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18 **WHEREAS** on August 3, 2009 *Hydro* filed an application with the Board requesting approval of
19 capital expenditures, at an estimated cost of \$1,136,000, for the Hinds Lake powerhouse slope
20 stabilization (the “*Application*”); and

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

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

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29 without prior approval of the Board; and

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

1 **WHEREAS** the Board approved supplementary 2009 Capital expenditures in:
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- 3 (i) Order No. P.U. 4(2009) in the amount of \$351,000 for the replacement of the
4 power transformer at the Wiltondale terminal station due to a failure of the
5 existing transformer;
- 6 (ii) Order No. P.U. 8(2009) in the amount of \$1,092,900 for the replacement of
7 programmable logic controllers at the Holyrood Thermal Generating Station's
8 Gas Turbine Plant;
- 9 (iii) Order No. P. U. 10(2009) in the amount of \$703,700 for the upgrade of the
10 continuous emission monitoring system at the Holyrood Thermal Generating
11 Station;
- 12 (iv) Order No. P. U. 16(2009) in the amount of \$93,000 for the extension of the
13 parking lot at Hydro Place;
- 14 (v) Order No. P. U. 19(2009) in the amount of \$191,600 to install cold reheat
15 condensate drains and high-pressure heater trip on Unit 2 at the Holyrood
16 Thermal Generating Station in place of the same project for Unit 1; and
- 17 (vi) Order No. P. U. 23(2009) in the amount of \$160,800 for the development of an
18 on-line Work Protection Code (WPC) training software program; and
- 19 (vii) Order No. P. U. 28(2009) in the amount of \$1,895,000 for the Condition
20 Assessment and Life Extension Study for the Holyrood Thermal Generating
21 Station;
- 22 (viii) Order No. P. U. 31(2009) in the amount of \$2,804,700 for the rehabilitation of the
23 Nain Diesel Generating Plant; and
- 24 (ix) Order No. P.U. 33(2009) in the amount of \$2,086,200 for the refurbishment of a
25 gas turbine generator to be located in the Stephenville Gas Turbine Plant; and
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27 **WHEREAS** Hydro owns, operates and maintains a hydroelectric generating station in Hinds
28 Lake which contains one generating unit rated at 75 MW; and
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30 **WHEREAS** the powerhouse at the Hinds Lake station is constructed on a location excavated
31 from the side of a steep hill; and
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33 **WHEREAS** in March 2009, Hydro personnel noticed an increase in rock debris from the slope
34 as compared to prior years and large steep overhanging pieces of rock and after reviewing
35 several methods of stabilization determined that the most effective solution would be slope
36 flattening; and
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38 **WHEREAS** the Consumer Advocate, Hydro's Island Industrial Customers and Newfoundland
39 Power were notified of the Application and provided an opportunity to make comments but did
40 not present evidence or make submissions; and
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42 **WHEREAS** the Board has considered the Application for approval of the Hinds Lake
43 powerhouse slope stabilization, including the report filed, and is satisfied that the flattening of
44 the slope by using excavators and crane, as proposed, is the most reasonable approach to dealing
45 with the deterioration of the slope.
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IT IS THEREFORE ORDERED THAT:

1. The Board approves the proposed capital expenditure of \$1,136,000 for the Hinds Lake powerhouse slope stabilization.
2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 4th day of September 2009.

Andrew Wells
Chair & Chief Executive Officer

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary