

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

AN ORDER OF THE BOARD

NO. P.U. 33(2014)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1 (the
3 "*EPCA*") and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the "*Act*"), as amended, and regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of capital expenditures for the replacement of insulators
10 on transmission lines TL-201 and TL-203 pursuant to
11 section 41 of the *Act*.
12
13

14 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and
15 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
16 is subject to the provisions of the *EPCA*; and
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18 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
19 construction, purchase or lease of improvements or additions to its property where:
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- 21 a) the cost of construction or purchase is in excess of \$50,000; or
22 b) the cost of the lease is in excess of \$5,000 in a year of the lease
23

24 without prior approval of the Board; and
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26 **WHEREAS** in Order No. P.U. 42(2013) the Board approved Hydro's 2014 Capital Budget in
27 the amount of \$97,805,300; and
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29 **WHEREAS** in Order No. P.U. 16(2014) the Board approved Hydro's proposal to proceed with
30 the purchase and installation of 100 MW of combustion turbine generation at the Holyrood
31 Thermal Generating Station, with cost recovery to be determined by the Board in a future Order;
32 and
33

34 **WHEREAS** in Order No. P.U. 23(2014) the Board approved a supplementary amount of
35 \$580,000 to the Allowance for Unforeseen Items related to expenditures for the Holyrood Unit 3
36 east forced draft fan motor and the Sunnyside and Holyrood breaker overhauls and ordered that
37 recovery of these expenditures would be addressed upon receipt of a further application from
38 Hydro; and

1 **WHEREAS** the Board approved supplementary 2014 capital expenditures in:
2

- 3 (i) Order No. P.U. 29(2014) in the amount of \$7,197,800 in 2014 and \$1,266,400 in
4 2015 for the purchase and replacement of the Sunnyside T1 transformer and
5 associated equipment, modification to the protection relay system and addition of
6 a 230 kV breaker at the Sunnyside Terminal Station; and
7 (ii) Order No. P.U. 32(2014) in the amount of \$1,452,000 to replace the tap changer
8 on the T5 transformer at the Western Avalon Terminal Station;
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10 and ordered that recovery of these expenditures would be addressed in a subsequent order of the
11 Board following a further application by Hydro; and
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13 **WHEREAS** on June 19, 2014 Hydro filed an application with the Board requesting approval of
14 a supplemental capital expenditure in the amount of \$3,632,200 to replace all insulators on
15 transmission line TL-201 and 30 insulators on transmission line TL-203 (the “Application”); and
16

17 **WHEREAS** Hydro states that since January 12, 2014 numerous insulator pin failures have
18 occurred on both transmission lines TL-201 and TL-203; and
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20 **WHEREAS** Hydro submits that completion of the insulator replacement on transmission lines
21 TL-201 and TL-203 is required to ensure that Hydro can continue to provide safe, reliable and
22 adequate service to the Avalon Peninsula; and
23

24 **WHEREAS** the Application was circulated to Newfoundland Power Inc. (“Newfoundland
25 Power”), the Consumer Advocate, a group of three Island Industrial customers: Corner Brook
26 Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited (the
27 “Industrial Customer Group”), Vale Newfoundland and Labrador Limited (“Vale”), Praxair
28 Canada Inc. (“Praxair”), Grand Riverkeeper Labrador, Inc. and Danny Dumaresque; and
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30 **WHEREAS** Newfoundland Power and the Industrial Customer Group issued Requests for
31 Information which were answered by Hydro on July 21, 2014;
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33 **WHEREAS** Newfoundland Power, the Consumer Advocate, the Industrial Customer Group,
34 Vale and Mr. Dumaresque advised the Board in writing that they did not have any comment on
35 the Application; and
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37 **WHEREAS** the Board did not receive any comment from the Praxair or Grand Riverkeeper
38 Labrador, Inc.; and
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40 **WHEREAS** the Board is satisfied the proposed supplemental capital expenditure to replace
41 insulators on transmission lines TL-201 and TL-203 is necessary for Hydro to provide service
42 and facilities which are reasonably safe and adequate and just and reasonable.

1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The proposed capital expenditure of \$3,632,200 for the replacement of all insulators on
4 transmission line TL-201 and 30 insulators on transmission line TL-203 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 1st day of August 2014.

Andy Wells
Chair & Chief Executive Officer

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary