

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

**AN ORDER OF THE BOARD**

**NO. P.U. 20(2016)**

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 to reroute transmission line TL 227 and  
10 distribution line Sally's Cove L1 pursuant  
11 to 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, 2007*, is a public utility within the meaning of the  
16 *Act*, and is also subject to the provisions of the *EPCA*; and  
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18 **WHEREAS** Subsection 41(3) of the *Act* requires that a public utility not proceed with the  
19 construction, purchase or lease of improvements or additions to its property where:  
20

- 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  
25

26 **WHEREAS** in Order No. P.U. 33(2015) the Board approved Hydro's 2016 Capital Budget in  
27 the amount of \$183,082,800; and  
28

29 **WHEREAS** the Board approved supplementary 2016 capital expenditures:  
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- 31 (i) in Order No. P.U. 8(2016) in the amount of \$ 1,000,000 to supplement the  
32 Allowance for Unforeseen Items;  
33 (ii) in Order No. P.U. 17(2016) in the amount of \$6,300,000 to purchase 12 MW  
34 of generating capacity at the Holyrood Thermal Generating Station;  
35 (iii) in Order No. P.U. 19(2016) in the amount of \$11,800,000 to replace boiler  
36 tubes on Units 1 and 2 and to complete reliability improvements at Holyrood  
37 Thermal Generation Plant; and

1 **WHEREAS** on May 16, 2016 Hydro applied to the Board for approval of capital expenditures  
2 to reroute transmission line TL 227 and distribution line Sally's Cove L1, estimated in the  
3 amounts of \$717,000 in 2016 and \$1,533,000 in 2017 (the "Application"); and  
4

5 **WHEREAS** the Application states that on January 28, 2016 an area of unstable coastal soil in  
6 the vicinity of Sally's Cove collapsed due to a landslide and as a result transmission line TL  
7 259 was rerouted on an emergency basis; and  
8

9 **WHEREAS** the Application states that transmission line TL 227 and distribution line Sally's  
10 Cove L1 are currently routed within 10 meters of the landslide area and engineering and  
11 environmental inspections indicate that this is a high risk landslide area; and  
12

13 **WHEREAS** the Application states that a reroute of TL 227 and Sally's Cove L1 is required to  
14 avoid potential structural failures given the high risk of additional landslides in the area and to  
15 ensure that Hydro can continue to provide safe, reliable electrical service, and note that  
16 potential structural failures can create safety issues and hazards for Hydro personnel and for the  
17 general public; and  
18

19 **WHEREAS** the Application was copied to: Newfoundland Power Inc. ("Newfoundland  
20 Power"); the Consumer Advocate, Mr. Thomas Johnson ("Consumer Advocate"); Corner  
21 Brook Pulp and Paper Limited, NARL Refining Limited Partnership and Teck Resources  
22 Limited ("Industrial Customer Group"); Vale Newfoundland and Labrador Limited ("Vale");  
23 and Praxair Canada Inc. ("Praxair"); and  
24

25 **WHEREAS** no requests for information were filed in relation to the Application; and  
26

27 **WHEREAS** Newfoundland Power, the Consumer Advocate, the Industrial Customer Group  
28 and Vale confirmed they do not wish to comment on the Application; and  
29

30 **WHEREAS** the Board is satisfied that the proposed multi-year capital expenditures to reroute  
31 transmission line TL 227 and distribution line Sally's Cove L1 are necessary to allow Hydro to  
32 provide service and facilities which are reasonably safe and adequate and just and reasonable.  
33

34  
35 **IT IS THEREFORE ORDERED THAT:**  
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- 37 1. The proposed capital expenditures in the amount of \$717,000 in 2016 and \$1,533,000 in  
38 2017 to reroute transmission line TL 227 and distribution line Sally's Cove L1 are  
39 approved.  
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41 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 10<sup>th</sup> day of June, 2016.



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Darlene Whalen, P.Eng.  
Vice-Chair



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Dwanda Newman LL.B.  
Commissioner



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Cheryl Blundon  
Board Secretary