

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

AN ORDER OF THE BOARD

NO. P.U. 19(2017)

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 Power Inc. for approval of capital
9 expenditures to refurbish Turbine No. 1 and perform
10 rockfall remediation at the Rose Blanche hydro plant
11 pursuant to section 41 of the *Act*.
12
13

14 **WHEREAS** Newfoundland Power Inc. ("Newfoundland Power") is a corporation duly
15 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public
16 utility within the meaning of the *Act*, and is also 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. 39(2016) the Board approved Newfoundland Power's 2017
27 Capital Budget in the amount of \$89,411,000; and
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29 **WHEREAS** in Order No. P.U. 6(2017) the Board approved supplementary 2017 capital
30 expenditures in the amount of \$1,475,000 to replace the substation transformer at the Riverhead
31 Substation and in the amount of \$1,354,000 to provide substation equipment and construct a
32 distribution feeder to serve the St. Lawrence Fluorspar Mine; and
33

34 **WHEREAS** on April 20, 2017 Newfoundland Power applied to the Board for approval of
35 capital expenditures associated with the purchase and construction of the improvements and
36 additions related to the Rose Blanche Turbine No. 1 Refurbishment and the Rose Blanche
37 Rockfall Remediation (the "Application"); and

1 **WHEREAS** the Application stated that Turbine No. 1 at the Rose Blanche hydro plant has been
2 removed from service and upon investigation it was found that there were cracks in the runner
3 blades, a loose stationary sealing ring and damage to the generator shaft; and
4

5 **WHEREAS** Newfoundland Power proposed to replace the turbine runner, shaft and associated
6 equipment at the Rose Blanche hydro plant at an estimated cost of \$1,787,000; and
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8 **WHEREAS** the Application stated that the Rose Blanche hydro plant is currently operating at
9 reduced capacity and that the operation of Turbine No. 1 is required for full and efficient
10 production of energy; and
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12 **WHEREAS** the Application further stated that, while performing routine surveillance of the
13 Rose Blanche hydro plant, a rockfall near the main dam was discovered which had damaged the
14 penstock and blocked vehicular access to the main dam; and
15

16 **WHEREAS** Newfoundland Power proposed to repair and bury the penstock at the Rose Blanche
17 hydro plant, relocate the main dam access road and construct a ditch to contain future rockfalls at
18 an estimated cost of \$1,494,000; and
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20 **WHEREAS** the Application stated that remediation of the rockfall damage along with
21 improvements to prevent damage associated with future rockfalls is required to ensure the safe
22 and reliable operation of the Rose Blanche hydro plant; and
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24 **WHEREAS** the Application was circulated to Newfoundland and Labrador Hydro (“Hydro”)
25 and the Consumer Advocate, Dennis Browne, Q.C.; and
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27 **WHEREAS** the Board issued and Hydro filed requests for information which were answered by
28 Newfoundland Power on May 12, 2017; and
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30 **WHEREAS** on May 17, 2017 the Consumer Advocate advised that he did not object to the
31 Application and Hydro advised that it supports the Application; and
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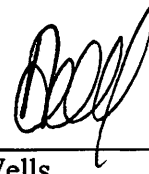
33 **WHEREAS** on May 19, 2017 Newfoundland Power submitted that the Board should approve
34 the Application as filed; and
35

36 **WHEREAS** the Board is satisfied that the proposed 2017 supplemental capital expenditures to
37 refurbish Turbine No. 1 and perform rockfall remediation at the Rose Blanche hydro plant are
38 reasonable and necessary to ensure the continued provision of a safe and reliable electricity
39 supply to Newfoundland Power’s customers.

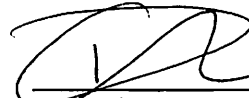
1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The proposed capital expenditure in the amount of \$1,787,000 to refurbish Turbine No. 1 at
4 the Rose Blanche hydro plant is approved.
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6 2. The proposed capital expenditure in the amount of \$1,494,000 to perform rockfall
7 remediation at the Rose Blanche hydro plant is approved.
8
9 3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

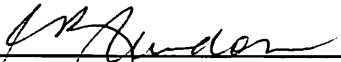
DATED at St. John's, Newfoundland and Labrador this 23rd day of May, 2017.



Andy Wells
Chair & Chief Executive Officer



Dwanda Newman, LL.B.
Commissioner



Cheryl Blundon
Board Secretary