

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

AN ORDER OF THE BOARD

NO. P.U. 38(2018)

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
9 approval to reroute transmission lines TL 239
10 and TL 226 pursuant to section 41 of the *Act*.
11
12

13 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and
14 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the
15 *Act*, and is also subject to the provisions of the *EPCA*; and
16

17 **WHEREAS** Subsection 41(3) of the *Act* requires that a public utility not proceed with the
18 construction, purchase or lease of improvements or additions to its property where:
19

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

23 without prior approval of the Board; and
24

25 **WHEREAS** in Order No. P.U. 43(2017) the Board approved Hydro's 2018 Capital Budget in
26 the amount of \$170,868,300; and
27

28 **WHEREAS** in Order No. P.U. 5(2018) the Board approved additional 2018 capital
29 expenditures and an amended 2018 Capital Budget for Hydro in the amount of \$181,193,700;
30 and
31

32 **WHEREAS** the Board approved supplementary 2018 capital expenditures

- 33 (i) in Order No. P.U. 6(2018) in the amount of \$719,400 to complete voltage
34 conversion of the Labrador City Feeder VA26;
35 (ii) in Order No. P.U. 19(2018) in the amount of \$1,000,000 to be added to the
36 Allowance for Unforeseen Items;
37 (iii) in Order No. P.U. 23(2018) in the amount of \$1,120,600 to complete Level 2
38 condition assessments on penstocks at Bay d'Espoir;

- 1 (iv) in Order No. P.U. 25(2018) in the amount of \$2,560,500 to restore the design
2 performance of the air heaters to increase generating capacity of Units 1, 2,
3 and 3 at the Holyrood Thermal Generating Station;
4 (v) in Order No. P.U. 33(2018) in the amount of \$195,500 for a control system
5 between Mary's Harbour Diesel Plant and St. Mary's River Hydro Plant; and
6 (vi) in Order No. P.U. 34(2018) in the amount of \$195,400 to upgrade the Happy
7 Valley-Goose Bay distribution system; and
8

9 **WHEREAS** on October 15, 2018 Hydro filed an application for approval of capital
10 expenditures to reroute a one kilometer section of each of transmission line TL 239 and TL 226
11 to avoid potential structural failures given the high risk of additional erosion in the area,
12 estimated in the amounts of \$712,300 in 2018 and \$220,100 in 2019 (the "Application"); and
13

14 **WHEREAS** on August 15, 2018 a significant rainstorm occurred over Gros Morne National
15 Park and caused flooding in the Southeast Brook river valley, north of Wiltondale which
16 caused washouts and streambank erosion and resulted in several river channels changing
17 course along a section of the right-of-way ("ROW"); and
18

19 **WHEREAS** the river described above enters the ROW north of structure 275 on TL 239 but
20 has changed paths to travel within the ROW, resulting in both structure 275 on TL 239 and
21 structure 453 on TL 226 being within the river; and
22

23 **WHEREAS** a considerable amount of erosion caused the crib foundation of structure 277 on
24 TL 239 to completely wash out and erosion of the river banks present a substantial risk to other
25 structures in the area; and
26

27 **WHEREAS** the Application states that a transmission line reroute for TL 239 and TL 226 is
28 required to avoid potential structural failures given the high risk of additional erosion in the
29 area and to ensure Hydro can continue to provide safe, reliable electrical service to its
30 customers; and
31

32 **WHEREAS** the Application was copied to: Newfoundland Power Inc. ("Newfoundland
33 Power"); the Consumer Advocate, Mr. Dennis Browne, Q.C. ("Consumer Advocate"); Corner
34 Brook Pulp and Paper Limited, NARL Refining Limited Partnership and Vale Newfoundland
35 and Labrador Limited ("Industrial Customer Group"); Teck Resources Limited ("Teck"); and
36 Praxair Canada Inc. ("Praxair"); and
37

38 **WHEREAS** no requests for information were filed in relation to the Application; and
39

40 **WHEREAS** no comments were filed in relation to the Application; and
41

42 **WHEREAS** the Board is satisfied that the proposed multi-year capital expenditures to reroute
43 transmission lines TL 239 and TL 226 are necessary to allow Hydro to continue to provide
44 service which is safe and adequate and just and reasonable.


1 **IT IS THEREFORE ORDERED THAT:**
2

- 3 1. The proposed capital expenditures in the amount of \$712,300 in 2018 and \$220,100 in
4 2019 to reroute transmission lines TL 239 and TL 226 are approved.
5
6 2. Hydro shall pay all expenses of the Board arising from this Application.

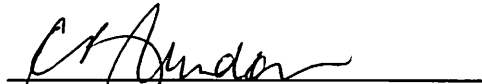
DATED at St. John's, Newfoundland and Labrador, this 26th day of October, 2018.



Darlene Whalen, P. Eng., FEC
Chair & CEO



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary