

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

**AN ORDER OF THE BOARD**

**NO. P.U. 26(2020)**

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

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for approval  
9 of replacement of the line protection relays and  
10 associated equipment and cabling located in the  
11 Wabush Terminal Station for transmission lines  
12 L34 and L35 and for approval of a contribution  
13 by Tacora of an amount equal to the final capital  
14 cost of the project, pursuant to section 41 of the  
15 *Act*.  
16  
17

18 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and  
19 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,  
20 and is also subject to the provisions of the *EPCA*; and  
21

22 **WHEREAS** section 41 of the *Act* states that a public utility shall not proceed with the construction,  
23 purchase or lease of improvements or additions to its property where:  
24

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

28 without prior approval of the Board; and  
29

30 **WHEREAS** in Order No. P.U. 6(2020) the Board approved Hydro’s 2020 Capital Budget in the  
31 amount of \$107,576,100; and  
32

33 **WHEREAS** the Board approved supplementary 2020 capital expenditures

- 34 (i) in Order No. P.U. 7(2020) in the amount of \$2,059,400 for the construction and  
35 installation of an electric vehicle fast charging network, including Level 3  
36 direct current fast chargers and Level 2 chargers at 14 locations across the  
37 island between St. John’s and Port Aux Basques;

- 1 (ii) in Order No. P.U. 14(2020) in the amount of \$7,638,200 for capital projects  
2 necessary for the continued operation of the Holyrood Thermal Generation  
3 Station;  
4 (iii) in Order No. P.U. 25(2020) for the interconnection and integration of the St.  
5 Mary's River Energy Photovoltaic and Battery Energy Storage System in the  
6 amount of \$532,860 plus HST to be recovered through a charge to St. Mary's  
7 River Energy LLP; and  
8

9 **WHEREAS** on August 10, 2020 Hydro filed an application for the approval of the replacement  
10 of the protective equipment located in the Wabush Terminal Station, with an estimated capital  
11 expenditure of \$259,300 to be fully contributed by Tacora Resources Inc. ("Tacora") (the  
12 "Application"); and  
13

14 **WHEREAS** the Wabush Terminal Station was acquired by Hydro in September 2016 as approved  
15 by the Board in Order No. P.U. 37(2016); and  
16

17 **WHEREAS** Tacora owns and operates the Scully Mine in Wabush, Labrador which is provided  
18 electrical power through two 46 kV transmission lines, L34 and L35, that are owned by Tacora  
19 and solely serve Tacora's asset; and  
20

21 **WHEREAS** electromechanical line protection relays for L34 and L35 were installed in the  
22 Wabush Terminal Station and the Scully Mine site in the 1960s and 1970s; and  
23

24 **WHEREAS** the Application stated Tacora has advised Hydro that since 2010 there have been  
25 multiple trips which resulted in shutdowns of the Scully Mine, in addition to a further three power  
26 outages in 2018, that had the potential to result in a loss of production for the mine and possible  
27 infrastructure and equipment damage in the winter months; and  
28

29 **WHEREAS** at Tacora's request in January 2019, so as to prevent current differential trips, Hydro  
30 disabled the primary L34 and L35 differential protective relays at the Wabush Terminal Station,  
31 resulting in only one of the two transmission lines being in operation at a time; and  
32

33 **WHEREAS** the Application stated that replacing the protection relays will allow both lines to be  
34 in service, with one line remaining in service should the other line trip, and will remove the issue  
35 causing the current differential trips as well as improve reliability for Tacora; and  
36

37 **WHEREAS** the Application also stated that Tacora has expressed its wish to complete the  
38 protection upgrades in advance of Hydro's planned replacement in 2026/2027 and has agreed to  
39 pay the full cost of the protection upgrades; and  
40

41 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,  
42 Dennis Browne, Q.C.; Hydro's Island Industrial customers: Corner Brook Pulp and Paper Limited,  
43 NARL Refining Limited Partnership, Vale Newfoundland and Labrador Limited; the communities  
44 of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City; Praxair Canada Inc.; Teck  
45 Resources Limited; and the Iron Ore Company of Canada; and

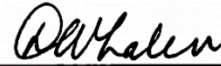
1 **WHEREAS** on August 24, 2020 Hydro noted that no comments were received and requested that  
2 the Board approve the Application as submitted; and

3  
4 **WHEREAS** the Board is satisfied that the proposed 2020 supplemental capital expenditure, to be  
5 recovered from Tacora, will reduce the number of trips experienced at the Scully Mine site and  
6 increase overall reliability for Tacora and that the Application should be approved.  
7

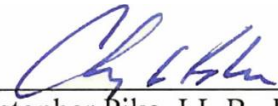
8  
9 **IT IS THEREFORE ORDERED THAT:**

- 10
- 11 1. The proposed capital expenditure, estimated to be \$259,300, for the replacement of the line
- 12 protection relays located in the Wabush Terminal Station for transmission lines L34 and L35,
- 13 to be fully contributed by and specifically assigned to Tacora Resources Inc., is approved.
- 14
- 15 2. The recovery of an amount equal to the final capital cost of the project through a charge to
- 16 Tacora Resources Inc. is approved.
- 17
- 18 3. Hydro shall pay all expenses of the Board arising from this Application.

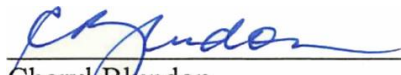
**DATED** at St. John’s, Newfoundland and Labrador, this 3<sup>rd</sup> day of September, 2020.



Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer



Christopher Pike, LL.B., FCIP  
Commissioner



Cheryl Blundon  
Board Secretary