

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

AN ORDER OF THE BOARD

NO. P.U. 18(2021)

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 a capital expenditure for the overhaul of
10 Holyrood Thermal Generating Station Unit 1
11 Boiler Feed Pump East pursuant to section 41
12 of the *Act*.
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14

15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
16 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
17 and is also subject to the provisions of the *EPCA*; and
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19 **WHEREAS** section 41 of the *Act* states that a public utility shall not proceed with the construction,
20 purchase or lease of improvements or additions to its property where:
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- 22 a) the cost of construction or purchase is in excess of \$50,000; or
23 b) the cost of the lease is in excess of \$5,000 in a year of the lease
24

25 without prior approval of the Board; and
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27 **WHEREAS** in Order Nos. P.U. 2(2021) and P.U. 11(2021) the Board approved Hydro’s 2021
28 Capital Budget in the amount of \$107,452,400; and
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30 **WHEREAS** in Order No. P.U. 17(2021) the Board approved the addition of a supplementary
31 amount of \$108,000 to Hydro’s 2021 Allowance for Unforeseen Items; and
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33 **WHEREAS** on May 6, 2021 Hydro filed an application with the Board requesting approval of a
34 capital expenditure in the amount of \$443,000 for the overhaul of the Holyrood Thermal
35 Generating Station Unit 1 Boiler Feed Pump East (the “Application”); and

1 **WHEREAS** the Application stated that boiler feed pumps are overhauled on a six-year cycle,
2 consistent with Original Equipment Manufacturer recommendations and conditions observed by
3 Hydro during previous overhauls, with the next overhaul of Unit 1 Boiler Feed Pump East due in
4 2021; and

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6 **WHEREAS** the Application stated that, while Hydro originally anticipated that the Holyrood
7 Thermal Generating Station would transition from normal production on March 31, 2022 and
8 extended the six-year cycle overhaul for Unit 1 Boiler Feed Pump East, Hydro's commitment to
9 extend Holyrood Thermal Generating Station as a generating facility until March 31, 2023 makes
10 the overhaul necessary in 2021; and

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12 **WHEREAS** the Application stated that a continued extension of the overhaul is an unacceptable
13 risk and is now necessary to maintain Hydro's safety and reliability standards and its ability to
14 meet customer demand during peak periods; and

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16 **WHEREAS** the Application further stated that the proposed capital expenditure is necessary to
17 ensure that Hydro can continue to provide service which is safe and adequate and just and
18 reasonable as required by section 37 of the *Act*; and

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20 **WHEREAS** the Application was copied to: Newfoundland Power Inc. ("Newfoundland Power");
21 the Consumer Advocate, Dennis Browne, Q.C.; Hydro's Island Industrial customers: Corner
22 Brook Pulp and Paper Limited, NARL Refining Limited Partnership, Vale Newfoundland and
23 Labrador Limited ("Industrial Customer Group"); the communities of Sheshatshiu, Happy Valley-
24 Goose Bay, Wabush, and Labrador City; Praxair Canada Inc. and Teck Resources Limited; and

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26 **WHEREAS** on May 7, 2021 the Industrial Customer Group advised they had no comments on the
27 Application; and

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29 **WHEREAS** on May 10, 2021 Newfoundland Power also advised that it had no comments
30 regarding the Application; and

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32 **WHEREAS** no other comments were received by the Board; and

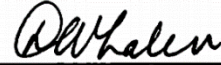
33
34 **WHEREAS** on May 17, 2021 Hydro filed a reply requesting the Board approve the Application
35 as submitted; and

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37 **WHEREAS** the Board is satisfied that the proposed 2021 supplemental capital expenditure for
38 the overhaul of the Holyrood Thermal Generating Station Unit 1 Boiler Feed Pump East is
39 necessary to ensure the continued provision of safe and reliable electricity to Hydro's customers.

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42 **IT IS THEREFORE ORDERED THAT:**

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44 1. The proposed capital expenditure in the amount of \$443,000 for the overhaul of the Holyrood
45 Thermal Generating Station Unit 1 Boiler Feed Pump East is approved.
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47 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 May, 2021.



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



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary