AN ORDER OF THE BOARD

NO. P.U. 14(2014)

IN THE MATTER OF the Electrical Power Control Act, 1994, SNL 1994, Chapter E-5.1 (the "EPCA") and the Public Utilities Act, RSNL 1990, Chapter P-47 (the "Act"), as amended, and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland Power Inc. for approval of a capital expenditure to proceed with the construction and purchase of improvements and additions to its property pursuant to section 41(3) of the Act.

WHEREAS Newfoundland Power Inc. ("Newfoundland Power") is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to the provisions of the EPCA; and

WHEREAS subsection 41(3) of the Act states that a public utility shall not proceed with the construction, purchase or lease of improvements or additions to its property where:

a) the construction or purchase is in excess of $50,000; or
b) the cost of the lease is in excess of $5,000 in a year of the lease without prior approval of the Board; and

WHEREAS in Order No. P.U. 27(2013) the Board approved Newfoundland Power's 2014 Capital Budget in the amount of $84,462,000; and

WHEREAS in Order No. P.U. 43(2013) the Board approved a supplemental capital expenditure in the amount of $14,520,000 to replace the submarine cable system that supplies electricity to Bell Island; and

WHEREAS on April 4, 2014 Newfoundland Power filed an application (the "Application") with the Board requesting approval of a capital expenditure in the amount of $2,892,000 for the construction and purchase of improvements and additions to its property to improve electrical system operations including:

(i) 14 downline automated distribution feeder sectionalizing reclosers;
(ii) upgrading of 4.3 km of distribution feeder conductor;
(iii) 7 automated substation feeder reclosers;
(iv) 2 automated transmission line breakers; and

WHEREAS in January 2014 rotating power outages and equipment failures on the Island Interconnected system resulted in an interruption of electrical service to a large number of customers; and

WHEREAS Newfoundland Power has identified improvements and additions to its property necessary to improve electricity system operations during conditions like those experienced in January 2014; and

WHEREAS the estimated capital expenditure to construct the improvements and additions to Newfoundland Power’s property is $2,892,000; and

WHEREAS the Application was copied to the Consumer Advocate and Newfoundland and Labrador Hydro and they advised the Board that they would not be filing requests for information or submissions on the Application; and

WHEREAS the Board circulated the Application to Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited, and Mr. Danny Dumaresque, and they advised the Board that they would not be filing requests for information or submissions on the Application; and

WHEREAS the Board is satisfied that the proposed 2014 supplemental capital expenditure to improve electrical system operations is necessary for Newfoundland Power to provide service and facilities which are reasonably safe and adequate and just and reasonable.

IT IS THEREFORE ORDERED THAT:

1. The capital expenditure of $2,892,000 for the proposed distribution feeder improvements and substation refurbishment is approved.

2. Newfoundland Power shall pay all expenses of the Board arising from this Application.
DATED at St. John's, Newfoundland and Labrador this 28th day of April, 2014.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Cheryl Blundon
Board Secretary