

P. U. 28 (2004)

IN THE MATTER OF THE
Public Utilities Act, R.S.N.1990,
c. P-47, as amended (the “*Act*”)

AND

IN THE MATTER OF an
application by Newfoundland and
Labrador Hydro (“Hydro”) for
approval of additional 2004 capital
expenditures, pursuant to
Section 41(3) of the *Act*.

WHEREAS Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is a
public utility within the meaning of the *Act*, and is also subject to the provisions of the *Electrical
Power Control Act, 1994*; and

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

- (a) the cost of 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 the prior approval of the Board of Commissioners of Public Utilities (the “Board”); and

WHEREAS by Order No. P. U. 29(2003) the Board approved Hydro's 2004 capital expenditure program and, in subsequent Order Nos. P. U. 5(2004), P. U. 13(2004) and P. U. 16(2004), approved additional capital projects for 2004; and

WHEREAS on June 11, 2004 Hydro filed an application with the Board, pursuant to Section 41(3) of the *Act*, seeking approval of additional 2004 capital expenditures totaling \$258,100 for the purchase and installation of a 550 kW diesel generating unit at Hydro's diesel generating station in Hopedale to replace one of the same capacity that has failed and cannot be repaired economically; and

WHEREAS Hydro provided as Schedule A to the application a capital budget explanation for this diesel generator replacement in accordance with the guidelines in Section 3 of Order No. P.U. 7 (2002-2003); and

WHEREAS on June 25, 2004 and July 22, 2004 Hydro provided additional information in respect of the application in response to information requests from the Board; and

WHEREAS the Board has considered the application, including the explanations contained in Schedule A and the additional information provided, and is satisfied that the proposed expenditure is prudent and necessary in order to provide reasonably safe and adequate and just and reasonable service as required by the Act.

IT IS THEREFORE ORDERED THAT:

1. Pursuant to Section 41 (3) of the *Act*, the Board approves the additional 2004 expenditure of \$258,100 for the replacement of a diesel generating unit at Hydro's Hopedale diesel generating station.
2. Hydro shall pay the costs of the Board arising from this application.

Dated at St. John's, Newfoundland and Labrador, this 30th day of July 2004.

Robert Noseworthy,
Chair & Chief Executive Officer.

G. Fred Saunders,
Commissioner.

G. Cheryl Blundon,
Board Secretary.