

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

**AN ORDER OF THE BOARD**

**NO. P.U. 29(2010)**

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  
5 Regulations thereunder;

6  
7 **AND**  
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9 **IN THE MATTER OF** an application by  
10 Newfoundland and Labrador Hydro (“*Hydro*”)  
11 for the approval of replacement of the Diesel  
12 Generating Unit 565 and associated  
13 switchgear at Little Bay Islands (the “*Application*”),  
14 pursuant to Section 41(3) of the *Act*.

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17  
18 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act,*  
19 *2007*, is a public utility within the meaning of the *Act* and is subject to the provisions of the  
20 *EPCA*; and

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

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

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28 **WHEREAS** in Order No. P. U. 1(2010) issued January 22, 2010 the Board approved, *inter*  
29 *alia*, Hydro’s 2010 Capital Budget of \$52,775,000; and

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31 **WHEREAS** the Board approved supplementary 2010 capital expenditures in:

- 32 (i) Order No. P. U. 16(2010) in the amount of \$14,800,000 for the construction of  
33 a terminal station at Long Harbour and an extension to transmission line TL-  
34 208 to be recovered from Vale Inco; and  
35 (ii) Order No. P. U. 21(2010) in the amount of \$693,800 to be added to the  
36 Allowance for Unforeseen items; and  
37 (iii) Order No. P. U. 26(2010) in the amount of \$120,400 for the replacement of  
38 the fuel tank at the Bay D’Espoir; and

1 **WHEREAS** Hydro owns, operates and maintains the diesel generating plant at Little Bay  
2 Island, which includes Diesel Generating Unit 565; and

3 **WHEREAS** during a maintenance inspection, Hydro personnel discovered that the engine  
4 block on Unit 565 (300kW unit) had been warped and could no longer be used and, in the  
5 interim, one of the 450kW genset is used when the 205kW Unit is out of service; and

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7 **WHEREAS** on October 19, 2010, Hydro applied to the Board requesting approval of the  
8 capital expenditure of \$467,900 for the replacement of Diesel Generating Unit 565 and  
9 associated switchgear; and

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11 **WHEREAS** on October 20, 2010 copies of the Application were circulated to the Consumer  
12 Advocate, Newfoundland Power Inc. and Hydro's Industrial Customers and thereafter each  
13 advised that there would be no comments on the Application; and

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15 **WHEREAS** the Board issued requests for information which were answered by Hydro on  
16 November 8, 2010; and

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18 **WHEREAS** the Board is satisfied that it is reasonable and prudent to approve the  
19 expenditure of \$467,900 for the replacement of Diesel Generating Unit 565 and associated  
20 switchgear at Little Bay Islands.

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23 **IT IS THEREFORE ORDERED THAT:**

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26 1. The proposed supplementary 2010 capital expenditure of \$467,900 for the  
27 replacement of Diesel Generating Unit 565 and associated switchgear at Little Bay  
28 Islands is approved.

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30 2. Hydro shall pay all expenses of the Board arising from this Application.

**Dated** at St. John's, Newfoundland and Labrador, this 23<sup>rd</sup> day of November, 2010.

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Darlene Whalen, P.Eng.  
Vice-Chair

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James Oxford  
Commissioner

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Cheryl Blundon  
Board Secretary