

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

AN ORDER OF THE BOARD

NO. P.U. 6(2018)

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 regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval of a
9 capital expenditure to perform a voltage conversion of
10 the Labrador City Feeder VA26 pursuant to
11 section 41 of the *Act*; and
12

13 **IN THE MATTER OF** an application by
14 Newfoundland and Labrador Hydro for approval of a
15 Contribution in Aid of Construction for a line
16 extension to serve the Smoky Mountain Ski Club
17 near Labrador City, pursuant to section 41 of the *Act*.
18
19

20 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and
21 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
22 is subject to the provisions of the *EPCA*; and
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24 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
25 construction, purchase or lease of improvements or additions to its property where:
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- 27 a) the cost of construction or purchase is in excess of \$50,000; or
 - 28 b) the cost of the lease is in excess of \$5,000 in a year of the lease
- 29

30 without prior approval of the Board; and
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32 **WHEREAS** in Order No. P.U. 43(2017) the Board approved Hydro's 2018 Capital Budget in
33 the amount of \$170,868,300; and
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35 **WHEREAS** in Order No. P.U. 5(2018) the Board approved additional 2018 capital expenditures
36 and an amended 2018 Capital Budget for Hydro in the amount of \$181,193,700; and

1 **WHEREAS** on January 26, 2018 Hydro filed an application with the Board requesting approval
2 of:

- 3 (i) a capital expenditure in the amount of \$719,400 to perform a voltage
4 conversion of the distribution feeder, Labrador City Feeder VA26; and
5 (ii) a Contribution in Aid of Construction (“CIAC”) in the amount of \$50,380,
6 excluding HST (the “Application”); and
7

8 **WHEREAS** the Application stated that on June 26, 2017 Hydro received a request from the
9 Smoky Mountain Ski Club to increase its power supply in the amount of 450kVA to the end of a
10 3.5 km distribution line on the Labrador City Distribution System effective September 2018; and
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12 **WHEREAS** the Application stated that the current distribution system cannot support the
13 additional load and the least cost feasible alternative is the voltage conversion of the distribution
14 feeder; and
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16 **WHEREAS** the Application also stated that it received a request from the Iron Ore Company of
17 Canada on behalf of the Smokey Mountain Ski Club for the approval of a CIAC in relation to
18 four new line extensions to connect the Smoky Mountain Ski Club; and
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20 **WHEREAS** the proposed CIAC, calculated in accordance with the CIAC Policy: Distribution
21 Line Extensions and Upgrades to General Service Customers approved by Order No. P.U.
22 27(2005) (the “Policy”), is fifty thousand three hundred and eighty dollars (\$50,380), excluding
23 HST; and
24

25 **WHEREAS** the Application was circulated to Newfoundland Power Inc., the Consumer
26 Advocate, Dennis Browne, Q.C., Corner Brook Pulp and Paper Limited, NARL Refining
27 Limited Partnership, Vale Newfoundland and Labrador Limited, Teck Resources Limited and
28 Praxair Canada Inc.; and
29

30 **WHEREAS** the Board issued requests for information which were answered by Hydro on
31 February 12, 2018; and
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33 **WHEREAS** on February 19, 2018 Hydro filed a submission stating that the capital works and
34 the CIAC are necessary to ensure that it can continue to provide service which is safe and
35 adequate and just and reasonable; and
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37 **WHEREAS** the Board did not receive any other submissions; and
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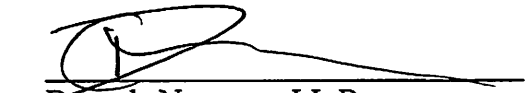
39 **WHEREAS** the Board is satisfied that the proposed 2018 supplemental capital expenditure for
40 the voltage conversion of the distribution feeder, Labrador City Feeder VA26, is necessary to
41 ensure the continued provision of a safe and reliable electricity supply to Hydro’s customers; and
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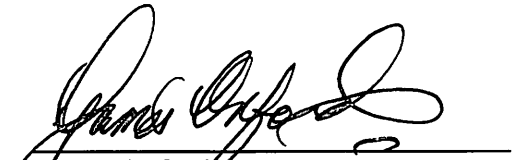
43 **WHEREAS** the proposed CIAC for the line extensions to connect the Smokey Mountain Ski
44 Club is necessary to ensure that Hydro’s investment is compensatory over the useful life of the
45 extensions and will not be to the detriment of its other customers.


IT IS THEREFORE ORDERED THAT:

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3 1. The proposed capital expenditure in the amount of \$719,400 to perform a voltage
4 conversion of the distribution feeder, Labrador City Feeder VA26, is approved.
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6 2. The Contribution in Aid of Construction of fifty thousand three hundred and eighty
7 dollars (\$50,380), excluding HST, for the construction of four new line extensions to
8 connect the Smoky Mountain Ski Club is approved.
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10 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 1st day of March, 2018.


Dwanda Newman, LL.B.
Commissioner


James Oxford
Commissioner


Cheryl Blundon
Board Secretary