

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

AN ORDER OF THE BOARD

NO. P.U. 9(2022)

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 of
9 supplemental capital expenditures related to the 2022
10 Allowance for Unforeseen Items for the construction
11 and purchase of certain improvements and additions
12 to its property pursuant to section 41 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
18

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 without the prior approval of the
21 Board, where the cost of construction or purchase is in excess of \$50,000, or the cost of the lease
22 is in excess of \$5,000 in a year of the lease; and
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24 **WHEREAS** in Order No. P.U. 37(2021) the Board approved Hydro’s 2022 Capital Budget in the
25 amount of \$84,163,400; and
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27 **WHEREAS** on March 16, 2022 Hydro filed an application with the Board requesting approval of
28 a supplementary amount of \$408,848 to be added to the Allowance for Unforeseen Items (the
29 “Application”); and
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31 **WHEREAS** the Application stated that Hydro has had one unforeseen capital expenditure in 2022
32 in the amount of \$408,848 related to repairs to transmission lines TL219 and TL203 to address
33 damage caused by heavy freezing rain; and
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35 **WHEREAS** the Application stated that it is prudent to maintain a sufficient amount in the
36 Allowance for Unforeseen Items to permit Hydro to address unforeseen events that may arise

1 during the remainder of 2022 and requested that the Board approve a supplementary amount of
2 \$408,848; and

3
4 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
5 the Consumer Advocate, Dennis Browne, Q.C.; Hydro’s Island Industrial customers: Corner
6 Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc. (formerly known
7 as NARL Refining Limited Partnership), Vale Newfoundland and Labrador Limited; Praxair
8 Canada Inc. and Teck Resources Limited; and

9
10 **WHEREAS** on March 23, 2022 Newfoundland Power advised that it had no comments regarding
11 the Application; and

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13 **WHEREAS** on March 28, 2022 Hydro filed a reply requesting the Board approve the Application
14 as submitted; and

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

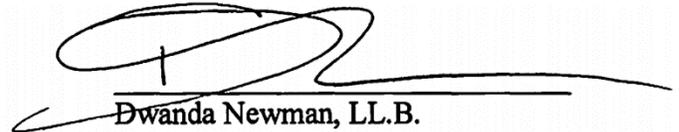
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18 **WHEREAS** the Board’s Capital Budget Application Guidelines permit a utility to apply for
19 approval to add an amount to the Allowance for Unforeseen Items provided the utility shows that
20 usage of the Allowance for Unforeseen Items has been consistent with the guidelines; and

21
22 **WHEREAS** the Board is satisfied that the 2022 Allowance for Unforeseen Items should be reset
23 to \$1,000,000 effective immediately to allow Hydro to proceed expeditiously with emergency
24 capital expenditures where the nature of these expenditures is such that an application under
25 section 41 of the *Act* for prior approval is not practical or possible.

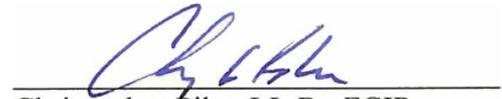
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27
28 **IT IS THEREFORE ORDERED THAT:**

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30 1. The 2022 Allowance for Unforeseen Items is reset to \$1,000,000 effective April 6, 2022.
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32 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 6th day of April, 2022.



Dwanda Newman, LL.B.
Vice-Chair



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary