

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

**AN ORDER OF THE BOARD**

**NO. P.U. 26(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**, RSNL  
4 1990, Chapter P-47 (the “**Act**”), as amended,  
5 and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for  
9 approval of capital expenditures to construct  
10 a new three-phase line in Hampden; and  
11

12 **IN THE MATTER OF** an application by  
13 Newfoundland and Labrador Hydro for  
14 approval of a Contribution in Aid of  
15 Construction.  
16

17  
18 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing  
19 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is  
20 also subject to the provisions of the **EPCA**; and  
21

22 **WHEREAS** section 41 of the **Act** states that a public utility shall not proceed with the construction,  
23 purchase or lease of improvements or additions to its property where:  
24

- 25 a) the cost of construction or purchase is in excess of \$50,000, or  
26 b) the cost of the lease is in excess of \$5,000 in a year of the lease,  
27

28 without prior approval of the Board; and  
29

30 **WHEREAS** section 41(5) of the **Act** states a public utility that intends to demand from its  
31 customers a contribution towards the cost of improvements or additions to its property shall not  
32 demand the contribution without the prior approval of the Board; and  
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34 **WHEREAS** in Order No. P.U. 37(2021) the Board approved Hydro’s 2022 Capital Budget in the  
35 amount of \$84,163,400; and

1 **WHEREAS** the Board approved supplementary 2022 capital expenditures in:

- 2 (i) Order No. P.U. 9(2022) to reset Hydro’s 2022 Allowance for Unforeseen Items to  
3 \$1,000,000;
- 4 (ii) Order No. P.U. 12(2022) in the amount of \$634,000 to replace the roof of the  
5 Makkovik Diesel Generating Station;
- 6 (iii) Order No. P.U. 14(2022) in the amount of \$137,700 to purchase and install a new  
7 diesel engine for the Mary's Harbour Diesel Generating Station;
- 8 (iv) Order No. P.U. 17(2022) in the amount of \$1,578,900 to purchase one set of last  
9 stage blades to serve as capital spares for Units 1 and 2 at the Holyrood Thermal  
10 Generating Station;
- 11 (v) Order No. P.U. 18(2022) in the amount of \$3,999,800 for rotor rim shrinking and  
12 stator recentering at the Upper Salmon Hydroelectric Generating Station; and
- 13 (vi) Order No. P.U. 24(2022) in the amount of \$571,100 to refurbish the Day Tank,  
14 refurbish Tank 2, replace the Tank Farm Underground Firewater Distribution  
15 System and upgrade the Unit 2 Turbine Control System at the Holyrood Thermal  
16 Generating Station; and

17

18 **WHEREAS** on July 26, 2022 Hydro filed an application (the “Application”) with the Board  
19 requesting approval of:

- 20 (i) a capital expenditure in the amount of \$443,800 to construct a new three-phase  
21 line in Hampden; and
- 22 (ii) a Contribution in Aid of Construction (“CIAC”) in the amount of \$134,366.20,  
23 excluding HST; and

24

25 **WHEREAS** the Application states that Hydro received a request from Burton’s Cove Logging and  
26 Lumber Limited (“Customer”) for additional service that would result in a load increase of  
27 approximately 1,100 kW; and

28

29 **WHEREAS** the Application states that the additional load would cause a portion of the Hampden  
30 distribution system to experience voltages as well as conductor overloading that would violate  
31 Hydro’s distribution planning criteria and, as a result Hydro proposes to construct approximately  
32 2 kilometers of new three-phase line connected to the existing feeder; and

33

34 **WHEREAS** pursuant to the CIAC Policy: Distribution Line Extensions and Upgrades to General  
35 Service Customers approved by Order No. P.U. 27(2005) (the “Policy”), the costs of providing the  
36 requested service, less company investment, must be recovered from the Customer; and

37

38 **WHEREAS** the CIAC, calculated in accordance with the detailed cost estimate specified in Clause  
39 5(e) of the Policy, is one hundred thirty-four thousand three hundred sixty-six dollars and twenty  
40 cents (\$134,366.20), excluding HST; and

41

42 **WHEREAS** Clause 10(ii) of the Policy states all line extensions or upgrades involving CIACs where  
43 the costs are calculated pursuant to Clause 5(e) require approval of the Board; and

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

7 **WHEREAS** on August 17, 2022 Hydro requested that the Board approve the Application as  
8 submitted and no other comments were received by the Board; and  
9

10 **WHEREAS** the Board is satisfied that the proposed 2022 supplemental capital expenditures to  
11 construct a new three-phase line in Hampden are necessary to ensure the continued provision  
12 of a safe and reliable electricity supply to Hydro's customers; and  
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14 **WHEREAS** the Board is satisfied that the proposed CIAC is necessary to ensure Hydro's  
15 investment is compensatory over the useful life of the upgrade and will not be to the detriment  
16 of Hydro's other customers.  
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19 **IT IS THEREFORE ORDERED THAT:**

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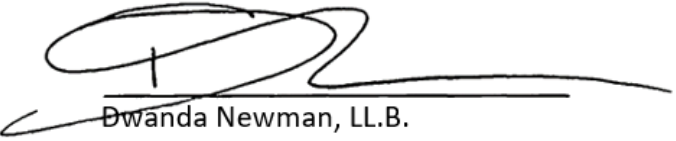
21 1. The proposed capital expenditures in the amount of \$443,800 to construct a three-phase line  
22 in Hampden are approved.  
23

24 2. The Contribution in Aid of Construction of one hundred thirty-four thousand three hundred  
25 sixty-six dollars and twenty cents (\$134,366.20) to construct the three-phase line in Hampden  
26 is approved.  
27

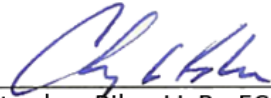
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3. Hydro shall pay all expenses of the Board arising from this Application.


**DATED** at St. John's, Newfoundland and Labrador, this 19<sup>th</sup> day of August, 2022.



Dwanda Newman, LL.B.  
Vice-Chair



Christopher Pike, LL.B., FCIP  
Commissioner



Cheryl Blundon  
Board Secretary