

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

AN ORDER OF THE BOARD

NO. P.U. 8(2012)

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*”) and regulations thereunder;

5
6 **AND**
7

8 **IN THE MATTER OF** an application by
9 Newfoundland Power Inc. for the approval to
10 proceed with the construction and purchase of
11 certain improvements and additions to its property
12 by replacing a section of submarine cable from Broad
13 Cove to Bell Island pursuant to Section 41 of the *Act*.

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15
16 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly
17 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public
18 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and

19
20 **WHEREAS** s.41 of the *Act* states that a public utility shall not proceed with the construction,
21 purchase or lease of improvements or additions to its property where:

- 22
23 (a) the cost of construction or purchase is in excess of \$50,000; or
24 (b) the cost of the lease is in excess of \$5000 in a year of the lease,

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26 without the prior approval of the Board; and
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28 **WHEREAS** in Order No. P.U. 26(2011), the Board approved, *inter alia*, Newfoundland Power’s
29 2012 Capital Budget of \$77,293,000; and
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31 **WHEREAS** supplementary 2012 capital expenditures were approved by the Board in Order No.
32 P.U. 7(2012) in the amount of \$1,027,000 for the construction and purchase of certain
33 improvements and additions to its property at the Milton Substation; and
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35 **WHEREAS** on March 16, 2012, the Board received an application (the “Application”) from
36 Newfoundland Power for approval of a supplementary capital expenditure in the amount of
37 \$510,000 to replace a damaged section of the Bell Island submarine cable system; and

1 **WHEREAS** Newfoundland Power provides the electricity supply to the community of Bell
2 Island via a three-phase submarine cable system originating at Broad Cove, Conception Bay; and

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4 **WHEREAS** there was an unanticipated failure of one of the four cables in the submarine cable
5 system; and

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7 **WHEREAS** replacement of the damaged section of the cable is necessary to ensure that there is
8 a spare cable available to facilitate immediate power restoration should another cable fail; and

9
10 **WHEREAS** the Board advised the Consumer Advocate and Newfoundland and Labrador Hydro
11 of the Application and requested that comments be filed by March 22, 2012; and

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13 **WHEREAS** on March 21, 2012, the Consumer Advocate and Newfoundland and Labrador
14 Hydro both advised the Board that they have no comments with respect to the within
15 Application; and

16
17 **WHEREAS** the Board is satisfied that the proposed supplementary capital expenditure related to
18 the replacement of the damaged section of the Bell Island submarine cable system is necessary
19 for Newfoundland Power to provide services and facilities which are reasonably safe and
20 adequate and just and reasonable pursuant to s.41 of the *Act*.

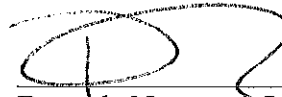
1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The proposed capital expenditure of \$510,000 to replace the damaged section of the Bell
4 Island submarine cable system is approved.
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6 2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

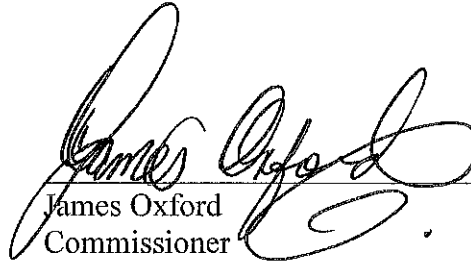
Dated at St. John's, Newfoundland and Labrador, this 22nd day of March, 2012.



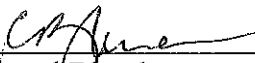
Darlene Whalen, P.Eng.
Vice-Chairperson



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Cheryl Blundon
Board Secretary