

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

AN ORDER OF THE BOARD

NO. P.U. 15(2013)

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 and Labrador Hydro for the approval to
10 install additional 230 kV transformer capacity at the Oxen
11 Pond Terminal Station pursuant to Section 41 of the *Act*.

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13
14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
15 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
16 is also subject to the provisions of the *EPCA*; and

17
18 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
19 construction, purchase or lease of improvements or additions to its property where:

- 20
21 (a) the cost of construction or purchase is in excess of \$50,000; or
22 (b) the cost of the lease is in excess of \$5000 in a year of the lease,

23
24 without the prior approval of the Board; and

25
26 **WHEREAS** in Order Nos. P.U. 2(2013) and P.U. 4(2013) the Board approved Hydro’s 2013
27 Capital Budget; and

28
29 **WHEREAS** the Board approved supplemental 2013 capital expenditures in:

- 30
31 (i) Order No. P.U. 1(2013) in the amount of \$284,100 for the refurbishment of the stop
32 logs at the Burnt Dam Spillway;
33 (ii) Order No. P.U. 12(2013) in the amount of \$5,198,000 for the refurbishment of the
34 marine terminal at the Holyrood Thermal Generating Station; and
35 (iii) Order No. P.U. 14(2013) in the amount of \$12,809,700 for the refurbishment and
36 repairs to Unit 1 at the Holyrood Thermal Generating Station; and

1 **WHEREAS** as part of its 2012 Capital Budget Application Hydro proposed a multi-year capital
2 project to install additional 230 kV transformer capacity at the Oxen Pond Terminal Station; and
3

4 **WHEREAS** in Order No. P.U. 2(2012) the Board denied proposed expenditures in relation to
5 the Oxen Pond Terminal Station, stating that further information in relation to changes in load
6 forecasts, age, condition and replacement of the transformers in Hardwoods-Oxen Pond loop was
7 required and that Hydro should file a separate application in the relation to the Hardwoods-Oxen
8 Pond loop system addressing these issues; and
9

10 **WHEREAS** on March 20, 2013 Hydro applied to the Board requesting approval of a
11 supplemental multi-year capital expenditure in the amount of \$19,134,000, of which \$3,823,600
12 is proposed for 2013, to install additional 230 kV transformer capacity at the Oxen Pond
13 Terminal Station (the "Application"); and
14

15 **WHEREAS** the Application was copied to Newfoundland Power Inc. ("Newfoundland Power"),
16 the Consumer Advocate and the Island Industrial Customers (Corner Brook Pulp and Paper
17 Limited, North Atlantic Refining Limited and Teck Resources Limited); and
18

19 **WHEREAS** the Board, Newfoundland Power, the Consumer Advocate and the Island Industrial
20 Customers issued Requests for Information which were answered by Hydro on April 17, 2013;
21 and
22

23 **WHEREAS** Newfoundland Power filed a written submission on April 23, 2013 supporting the
24 Application, stating that additional transformer capacity at Oxen Pond is necessary to serve the
25 growing customer load on Newfoundland Power's 66 kV transmission system in the St. John's
26 area; and
27

28 **WHEREAS** on April 23, 2013 the Consumer Advocate and the Industrial Customers advised
29 they had no comments on the Application; and
30

31 **WHEREAS** Hydro advises that the load forecast for the St. John's region indicates that in 2014
32 the load at the Oxen Pond Terminal Station will exceed the installed transformer capacity and
33 also that the existing transformer capacity in the Hardwoods-Oxen Pond loop will not meet the
34 load under a loss of the largest unit scenario; and
35

36 **WHEREAS** the Board is satisfied that the supporting documentation filed with the Application
37 addresses the issues raised in Order No. P.U. 2(2012) and confirms that the proposed capital
38 expenditure is required to ensure that the forecast load and Hydro's planning criteria can be met;
39 and
40

41 **WHEREAS** the Board is satisfied that the proposed 2013 supplemental multi-year capital
42 expenditure for the installation of additional 230 kV transformer capacity at the Oxen Pond
43 Terminal Station is necessary to allow Hydro to provide service and facilities which are
44 reasonably safe and adequate and just and reasonable.

1 **IT IS THEREFORE ORDERED THAT:**

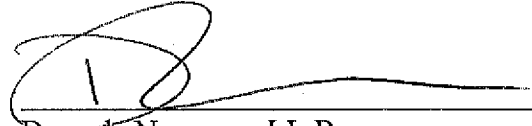
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- 1. The proposed multi-year capital expenditures for the installation of additional 230 kV transformer capacity at the Oxen Pond Terminal Station in the amount of \$3,823,600 in 2013 and \$15,310,400 in 2014 are approved.
- 2. Hydro shall pay all expenses of the Board arising from this Application.

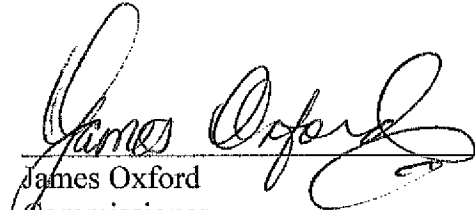
DATED at St. John's, Newfoundland and Labrador this 29th day of April, 2013.



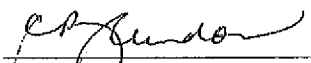
Darlene Whalen, P.Eng.
Vice-Chairperson



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Cheryl Blundon
Board Secretary