

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

AN ORDER OF THE BOARD

NO. P.U. 20(2013) AMENDED

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 approval to
10 proceed with replacement of the Hardwoods Gas
11 Turbine Alternator; pursuant to Section 41 of the *Act*.

12
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 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 \$5,000 in a year of the lease

23
24 without 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 supplementary 2013 capital expenditures in:

- 30
31 (i) Order No. P.U. 1(2013) in the amount of \$284,100 for the refurbishment of the
32 stop logs at the Burnt Dam Spillway; and
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 (iv) Order No. P.U. 15(2013) in the amount of \$3,823,600 for 2013 and \$15,310,400
2 for 2014 to install additional 230 kV transformer capacity at the Oxen Pond
3 Terminal Station; and
4

5 **WHEREAS** on April 24, 2013 Hydro applied to the Board for approval to replace the alternator
6 on the Hardwoods Gas Turbine (the "Application"); and
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8 **WHEREAS** the Application was copied to Newfoundland Power Inc. ("Newfoundland Power"),
9 the Consumer Advocate and the Island Industrial Customers (Corner Brook Pulp and Paper
10 Limited, North Atlantic Refining Limited and Teck Resources Limited); and
11

12 **WHEREAS** the Board and Newfoundland Power issued Requests for Information which were
13 answered by Hydro on May 7, 2013; and
14

15 **WHEREAS** on May 13, 2013 Newfoundland Power, the Consumer Advocate and the Island
16 Industrial Customers advised they had no comments on the Application; and
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18 **WHEREAS** Hydro advises that, in January 2013, Brush GMS, the original equipment
19 manufacturer, recommended that the Hardwoods Gas Turbine be operated only in emergency
20 conditions as the alternator may be near failure; and
21

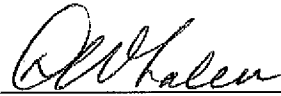
22 **WHEREAS** the Hardwoods Gas Turbine is a major component in ensuring reliable and efficient
23 power for the Island Interconnected System; and
24

25 **WHEREAS** the Board is satisfied that the 2013 supplemental capital expenditure for
26 replacement of the alternator on the Hardwoods Gas Turbine is necessary to allow Hydro to
27 provide service and facilities which are reasonably safe and adequate and just and reasonable.
28

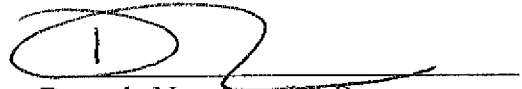
29
30 **IT IS THEREFORE ORDERED THAT:**
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- 32 1. The proposed capital expenditure of \$8,015,800 for the replacement of the alternator on
33 the Hardwoods Gas Turbine is approved.
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35 2. Hydro shall pay all expenses of the Board arising from this Application.

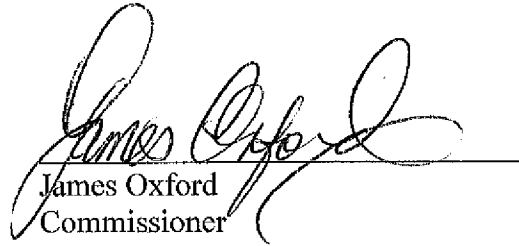
DATED at St. John's, Newfoundland and Labrador this 21st day of May, 2013.



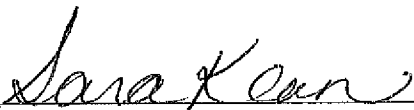
Darlene Whalen, P.Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Sara Kean
Assistant Board Secretary