

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

**AN ORDER OF THE BOARD
NO. P. U. 20(2009)**

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 "*EPCA*") and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the "*Act*"), as amended;

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro ("Hydro")
10 for approval of the cost to be recovered
11 through the Rate Stabilization Plan charged to
12 Newfoundland Power Inc. and the Island
13 Industrial Customers of consuming
14 No. 6 Fuel not exceeding 0.7% sulphur
15 by weight (the "Application").

16
17 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation*
18 *Act*, is a public utility within the meaning of the *Act*, and is subject to the provisions of
19 the *EPCA*; and

20
21 **WHEREAS** on March 31, 2009 Hydro filed the Application with the Board for approval
22 to flow through the Rate Stabilization Plan (the "RSP") the costs of burning 0.7% sulphur
23 content No. 6 fuel at the Holyrood Thermal Generating Station; and

24
25 **WHEREAS** the fuel costs currently collected through the operation of the RSP for the
26 Holyrood Thermal Generating Station are the cost of No. 6 fuel with a sulphur content
27 not exceeding 1% as approved in Board Order No. P. U. 32(2006); and

28
29 **WHEREAS** on March 17, 2009 the Minister of Environment and Conservation issued an
30 amendment to the Certificate of Approval governing the operation of the Holyrood
31 Thermal Generating Station to prohibit Hydro from burning any fuel at the Holyrood
32 Thermal Generating Station which has a sulphur content greater than 0.7% by weight;
33 and

34
35 **WHEREAS** paragraph 114(1)(e) of the *Environmental Protection Act* makes it an
36 offense to contravene a term or condition of a certificate of approval issued under that
37 *Act*; and

1 **WHEREAS** the Board issued a request for information on April 2, 2009 to which Hydro
2 provided a response on May 7, 2009 and a revised response on May 11, 2009; and

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4 **WHEREAS** the Application and related correspondence was copied to Hydro's Island
5 Industrial Customers, the Consumer Advocate and Newfoundland Power Inc., neither of
6 which made submissions to the Board in relation to the Application; and

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8 **WHEREAS** the Board is satisfied based on the record that the recovery through the RSP
9 of costs associated with burning the lower sulphur content fuel in compliance with the
10 Certificate of Approval is appropriate in the circumstances and should be approved.

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13 **IT IS THEREFORE ORDERED THAT:**

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16 1. The recovery of Hydro's costs of burning 0.7% sulphur content No. 6 fuel at the
17 Holyrood Thermal Generating Station through the operation of the RSP after
18 March 31, 2009 is approved.
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20 2. The costs of the fuel shall be calculated in accordance with the usual operation of
21 the RSP from March 31, 2009.
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23 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 22nd day of May 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B
Commissioner

Cheryl Blundon
Board Secretary