

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

AN ORDER OF THE BOARD

NO. P.U. 57(2014)

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*”), as amended, and regulations
5 thereunder; and
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7 **IN THE MATTER OF** a general rate application filed by
8 Newfoundland and Labrador Hydro on July 30, 2013; and
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10 **IN THE MATTER OF** an amended general rate application filed
11 by Newfoundland and Labrador Hydro on November 10, 2014; and
12

13 **IN THE MATTER OF** a proposed interim transmission
14 demand rate for Labrador industrial customers.
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17 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
18 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
19 and is also subject to the provisions of the *EPCA*; and
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21 **WHEREAS** pursuant to section 5.8 of the *EPCA*, as of January 1, 2015 the *Act* applies to the
22 transmission components of electricity rates for industrial customers in Labrador; and
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24 **WHEREAS** on November 10, 2014 Hydro filed an amended general rate application with the
25 Board requesting approval of, among other things, a transmission demand rate for Labrador
26 industrial customers of \$1.25 per kW per month to be implemented on an interim basis effective
27 January 1, 2015 (the “Application”); and
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29 **WHEREAS** the Application was circulated to Newfoundland Power Inc., the Consumer
30 Advocate, a group of three Island Industrial customers (Corner Brook Pulp and Paper Limited,
31 North Atlantic Refining Limited and Teck Resources Limited), Vale Newfoundland and
32 Labrador Limited (“Vale”), the Innu Nation, the Towns of Labrador City, Wabush, Happy
33 Valley-Goose Bay and North West River (“Towns of Labrador”) and Yvonne Jones, MP
34 Labrador; and

1 **WHEREAS** on December 4, 2014 the Board requested that Hydro advise as to all customers and
2 known potential customers that may be affected by this rate, indicating whether these customers
3 have been provided notice of the application and whether they consent to the proposed rate; and
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5 **WHEREAS** the Board also requested that Hydro advise as to the status of the acquisition of the
6 rights to the transmission assets either through purchasing or leasing arrangements which will be
7 in place by the end of 2014, and also provide information to how the proposed rate was
8 determined; and
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10 **WHEREAS** on December 10, 2014 Hydro advised the Board that formal notice had been issued
11 to its Labrador industrial customers, Iron Ore Company of Canada and Wabush Mines/Cliff's
12 Mining Co., on December 8, 2014 with copy to the Board, and also advised on the status of the
13 Labrador transmission assets and the basis for the calculation of the transmission demand rate as
14 requested; and
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16 **WHEREAS** on December 15, 2014 the Board wrote Iron Ore Company of Canada and Wabush
17 Mines/Cliff's Mining Co. requesting that they advise the Board as to whether they consent to the
18 interim rate proposed by Hydro; and
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20 **WHEREAS** on December 18, 2014 Newfoundland Power advised the Board that, on the
21 assumption that all of the costs associated with serving industrial customers on the Labrador
22 Interconnected system will be borne by those customers, it did not have any comments on the
23 proposed interim transmission demand rate; and
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25 **WHEREAS** on December 19, 2014, in reply to follow-up correspondence, Iron Ore Company of
26 Canada requested an extension to respond to Hydro's proposal citing the need for more
27 information on the calculations and concepts behind the proposed rate; and
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29 **WHEREAS** the Board did not receive any comments from Wabush Mines/Cliff's Mining Co.;
30 and
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32 **WHEREAS** the Board acknowledges the request of Iron Ore Company of Canada for more
33 information but finds that the legislation requires that a regulated rate for Labrador industrial
34 transmission be in place for January 1, 2015; and
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36 **WHEREAS** the Board is satisfied that the transmission demand rate for Labrador industrial
37 customers of \$1.25 per kW per month, to be implemented on an interim basis effective January
38 1, 2015, should be approved at this time pending further review and subsequent Order of the
39 Board with respect to the interim or final rate to be charged.

1 **IT IS THEREFORE ORDERED THAT:**

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- 1. The rates to be charged by Newfoundland and Labrador Hydro to Labrador industrial customers as set out in Schedule A to be effective for electrical consumption on or after January 1, 2015, are approved on an interim basis.
- 2. Hydro shall pay all expenses of the Board arising from this Application.


DATED at St. John's, Newfoundland and Labrador, this 24th day of December 2014.



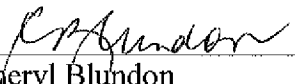
Andy Wells
Chair & Chief Executive Officer



Darlene Whalen, P. Eng.
Vice-Chairperson



Dwanda Newman, LL.B.
Commissioner



Cheryl Blundon
Board Secretary

**NEWFOUNDLAND AND LABRADOR HYDRO
LABRADOR INDUSTRIAL – TRANSMISSION (INTERIM)**

Availability:

Any person purchasing power, other than a retailer, supplied from the Labrador Interconnected bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and has entered into a contract with Hydro for the purchase of power and energy (Labrador Industrial Customer).

Monthly Rate:

Demand Charge:

The rate for Firm Power shall be \$1.25 per kilowatt of billing demand. The billing demand shall be equal to the customer's declared Power on Order.

Specifically Assigned Charge:

This rate may include a specifically assigned charge upon approval by the Board.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**