

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

**AN ORDER OF THE BOARD**

**NO. P.U. 55(2016)**

1 **IN THE MATTER OF** the *Electrical Power*  
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1  
3 (the “*EPCA*”) and the *Public Utilities Act*, RSNL  
4 1990, Chapter P-47 (the “*Act*”), as amended,  
5 and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for approval  
9 of a Capacity Assistance Agreement with  
10 Praxair Canada Inc. pursuant to  
11 sections 70, 71 and 80 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  
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18 **WHEREAS** on November 30, 2016 Hydro filed an updated Energy Supply Risk Assessment  
19 with the Board; and  
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21 **WHEREAS** on December 13, 2016 the Board received an application from Hydro requesting  
22 approval of a Capacity Assistance Agreement (the “Agreement”) with Praxair Canada Inc.  
23 (“Praxair”), commencing December 1, 2016 and ending March 31, 2018 (the “Application”); and  
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25 **WHEREAS** the Application was circulated to Newfoundland Power Inc., the Consumer  
26 Advocate, a group of Island Industrial customers: Corner Brook Pulp and Paper Limited and  
27 North Atlantic Refining Limited, Vale Newfoundland and Labrador Limited, Praxair Canada Inc.  
28 and Teck Resources Limited; and  
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30 **WHEREAS** the Board did not receive comments from the parties; and  
31

32 **WHEREAS** Hydro has identified the potential for expected unserved energy in excess of  
33 planning criteria for two sensitivity demand forecasts considered for winter 2016-2017; and  
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35 **WHEREAS** the Application states that Hydro has attempted to secure additional curtailable load  
36 on the Avalon Peninsula as availability of an incremental 10 MW on the Avalon Peninsula  
37 mitigates the exposure for the winter of 2016-2017; and  
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39 **WHEREAS** the Agreement with Praxair provides for 5 MW of curtailable load; and

1 **WHEREAS** Hydro advises that it is continuing to have discussions to achieve additional  
2 capacity assistance on the Avalon Peninsula; and  
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4 **WHEREAS** Hydro submits that the Agreement provides Hydro with increased flexibility, on a  
5 cost effective basis, to deal with unanticipated generation or load events that may otherwise  
6 require the implementation of a customer outage program to effect peak load management in  
7 order to maintain system integrity; and  
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9 **WHEREAS** the Board is satisfied that the Agreement between Hydro and Praxair will provide  
10 additional reliability to the Island Interconnected system; and  
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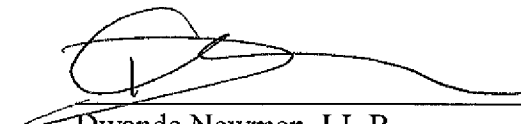
12 **WHEREAS** the Board will require Hydro to file with the Board, no later than April 15 of the  
13 year following each winter period December 1 - March 31, a report setting out the dates, times,  
14 duration and system conditions, including generation available and calculation of system reserve,  
15 under which capacity assistance was requested, the capacity assistance requested and provided,  
16 and the capacity and variable payments made.

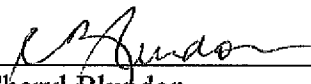
1 **IT IS THEREFORE ORDERED THAT:**  
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- 3 1. The proposed Capacity Assistance Agreement with Praxair Canada Inc., effective  
4 December 1, 2016, is approved.  
5  
6 2. Hydro shall file with the Board, no later than April 15 of the year following each winter  
7 period December 1 - March 31 while the agreement is in place, a report setting out the  
8 dates, times, duration and system conditions, including generation available and calculation  
9 of system reserve, under which capacity assistance was requested, the capacity assistance  
10 requested and provided, and the capacity and variable payments made.  
11  
12 3. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 21<sup>st</sup> day of December 2016.

  
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Darlene Whalen, P.Eng.  
Vice-Chair

  
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Dwanda Newman, LL.B.  
Commissioner

  
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Cheryl Blundon  
Board Secretary