

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

AN ORDER OF THE BOARD

NO. P.U. 39(2018)

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*,
4 RSNL 1990, Chapter P-47 (the “*Act*”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for
9 approval of a revision to its Schedule of
10 Rates, Tolls and Charges to modify the
11 specifically assigned charge to an island
12 industrial customer pursuant to section
13 70 of the *Act*.
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15

16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
17 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
18 and is also subject to the provisions of the *EPCA*; and
19

20 **WHEREAS** in Order No. P.U. 7(2002-2003) the Board accepted that the Corner Brook Frequency
21 Converter (“Frequency Converter”) should be specifically assigned to Corner Brook Pulp and
22 Paper Limited (“CBPP”); and
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24 **WHEREAS** in Order No. P.U. 26(2018) the Board approved the sale of the Frequency Converter
25 to CBPP, as well as amendments to the service agreement with CBPP; and
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27 **WHEREAS** on October 9, 2018 Hydro filed an application (the “Application”) requesting
28 approval of a revision to the Industrial - Firm (Interim) Rates to remove the specifically assigned
29 charge for CBPP on an interim basis, effective August 9, 2018; and
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31 **WHEREAS** the Application stated that the sale of the Frequency Converter to CBPP was
32 completed as of August 9, 2018; and
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34 **WHEREAS** the Application explained that the costs associated with the Frequency Converter
35 represented approximately 99% of the amount of the specifically assigned charge for CBPP; and
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37 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
38 Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited; NARL Refining Limited
39 Partnership; Vale Newfoundland & Labrador Limited; Teck Resources Limited; and Praxair
40 Canada Inc.; and

1 **WHEREAS** the Board issued requests for information which were answered by Hydro on October
2 19, 2018; and

3
4 **WHEREAS** on October 25, 2018 CBPP filed a submission stating that an amendment of the
5 Schedule of Rates, Tolls and Charges to remove the reference to the specifically assigned charge
6 to CBPP is appropriate; and

7
8 **WHEREAS** in its reply filed on October 26, 2018 Hydro noted that the parties did not file
9 comments other than the submissions of CBPP in support of the Application; and


10
11 **WHEREAS** the Board did not receive any other submissions; and

12
13 **WHEREAS** the Board is satisfied that the proposed amendment to the Schedule of Rates, Tolls
14 and Charges to remove the specifically assigned charge to CBPP is appropriate and should be
15 approved.


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17
18 **IT IS THEREFORE ORDERED THAT:**

- 19
20 1. The proposed Island Industrial customer rates, to be effective on all electrical consumption on
21 and after August 9, 2018 as set out in Schedule A to this Order are approved on an interim
22 basis.
23
24 2. Hydro shall pay all expenses of the Board arising from this Application.

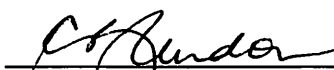
DATED at St. John's, Newfoundland and Labrador, this 7th day of November, 2018.



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – FIRM (INTERIM)

Availability:

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

Base Rate*:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$9.95 per kilowatt (kW) per month of billing demand.

Firm Energy Charge:

Base Rate @ 3.971 ¢ per kWh

RSP Adjustment:

RSP Adjustment:

Current Plan @ (0.285) ¢ per kWh

Fuel Rider..... @ (0.024) ¢ per kWh

Total RSP Adjustment – All kilowatt-hours..... @ (0.309) ¢ per kWh

CDM Cost Recovery Adjustment..... @ 0.010 ¢ per kWh

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – FIRM (INTERIM)

Specifically Assigned Charges:

The table below contains the additional annual specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
□	□
North Atlantic Refining Limited	\$ 89,293
Teck Resources Limited	\$ 199,399
Vale	\$ 480,243

***Subject to RSP Adjustments and CDM Cost Recovery Adjustment:**

RSP Adjustments refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

The CDM Cost Recovery Adjustment is updated annually to provide recovery over a seven year period of costs charged annually to the Conservation and Demand Management (CDM) Cost Deferral Account.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

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.**

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – Non-Firm (INTERIM)

Availability:

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

Rate:

Non-Firm Energy Charge (¢ per kWh):

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C) \times (1 \div (1 - D))\} \times 100$$

- A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used
- B = the conversion factor for the source used (kWh/bbl)
- C = the administrative and variable operating and maintenance charge (10%)
- D = the average system losses on the Island Interconnected grid for the last five years ending in 2013 (3.47%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 618 kWh/bbl
2. Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
3. Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

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.**

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL - WHEELING (INTERIM)

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy and whose Industrial Service Agreement so provides.

Rate:

Energy Charge:

All kWh (Net of losses)* @ 0.423 ¢ per kWh

*For the purpose of this Rate, losses shall be 3.47%, the average system losses on the Island Interconnected Grid for the last five years ending in 2013.

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.**