

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

AN ORDER OF THE BOARD

NO. P.U. 40(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*, RSNL
4 1990, Chapter P-47 (the “*Act*”), as amended, and
5 regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of an Amended and Restated Capacity Assistance
10 Agreement with Corner Brook Pulp and Paper
11 Limited pursuant to section 70(1), 71 and 80 of
12 the *Act*.
13
14

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

19 **WHEREAS** Hydro and Corner Brook Pulp and Paper Limited are parties to a Service Agreement
20 most recently approved in Order No. P.U. 26(2018) whereby Hydro sells electrical power and
21 energy to Corner Brook Pulp and Paper Limited upon terms and conditions and at rates approved
22 by the Board; and
23

24 **WHEREAS** Hydro and Corner Brook Pulp and Paper Limited are also parties to a Revised
25 Capacity Assistance Agreement approved by the Board in Order No. P.U. 34(2017), effective from
26 November 1, 2017 to the earlier of April 30, 2022 or the commissioning of the Muskrat Falls
27 Generating Plant, whereby at the request of Hydro Corner Brook Pulp and Paper Limited reduces
28 its load such that it can provide up to 90 MW of capacity assistance to Hydro on the Island
29 Interconnected system; and
30

31 **WHEREAS** on November 5, 2018 Hydro filed an application for approval of an Amended and
32 Restated Capacity Assistance Agreement with Corner Brook Pulp and Paper Limited which would
33 provide for an additional 15 MW of winter capacity assistance to Hydro (the “Application”); and
34

35 **WHEREAS** according to the Application the additional capacity assistance is necessary for winter
36 2018-2019 supply on the Island Interconnected system in light of the reduction in the anticipated
37 availability of power over the Labrador Island Link for winter 2018-2019 and will provide
38 increased flexibility on a cost-effective basis to deal with unanticipated generation or load events

1 that may otherwise require the implementation of a customer outage program to provide peak load
2 management in order to maintain system integrity; and
3

4 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
5 the Consumer Advocate, Dennis Browne, Q.C.; a group of Island Industrial customers: Corner
6 Brook Pulp and Paper Limited, NARL Refining LP and Vale Newfoundland and Labrador
7 Limited; Praxair Canada Inc.; and Teck Resources Limited; and
8

9 **WHEREAS** on November 9, 2018 Newfoundland Power advised it had no comments on the
10 Application; and
11

12 **WHEREAS** on November 9, 2018 Corner Brook Pulp and Paper Limited submitted that they
13 supported the Application; and
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15 **WHEREAS** in its November 13, 2018 submission Hydro requested that the Board approve the
16 Application as submitted; and
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18 **WHEREAS** the Board did not receive any other submissions; and
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20 **WHEREAS** the Board is satisfied that the proposed Amended and Restated Capacity Assistance
21 Agreement for up to 105 MW of capacity assistance from Corner Brook Pulp and Paper Limited
22 will provide cost-effective flexibility for Hydro to deal with unanticipated generation or load
23 events and is necessary to ensure the continued provision of adequate and reliable supply to
24 Hydro’s customers on the Island Interconnected system and should be approved.
25

26
27 **IT IS THEREFORE ORDERED THAT:**
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- 29 1. The Amended and Restated Capacity Assistance Agreement between Hydro and Corner Pulp
30 and Paper Limited is approved.
31
- 32 2. Hydro shall continue to file a report no later than May 30 of each year during the term of the
33 Amended and Restated Capacity Assistance Agreement setting out for the latest winter
34 period:
35 i) the capacity assistance requested and provided, including dates, times and duration;
36 ii) the system conditions at the time of the capacity assistance request, including generation
37 available and calculation of system reserve; and
38 iii) payments made.
39
- 40 3. Hydro shall pay all expenses of the Board arising from this Application.

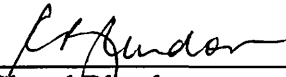
DATED at St. John's, Newfoundland and Labrador, this 22nd day of November, 2018.



Darlene Whalen, P. Eng., FEC
Chair and CEO



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary