

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

AN ORDER OF THE BOARD

NO. P.U. 44(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,
5 and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of a Load Curtailable Agreement with Vale
10 Newfoundland and Labrador Limited pursuant
11 to sections 70, 71 and 80 of the *Act*.
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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 is
16 subject to the provisions of the *EPCA*; and
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18 **WHEREAS** Hydro and Vale Newfoundland and Labrador Limited (“Vale”) are parties to a
19 Service Agreement whereby Hydro sells electrical power and energy to Vale upon terms and
20 conditions and at rates approved by the Board; and
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22 **WHEREAS** on November 13, 2018 Hydro filed an application for approval of a Load Curtailment
23 Agreement with Vale, effective December 1, 2018 through March 31, 2019, which would allow a
24 6 MW curtailment in capacity assistance to Hydro (the “Application”); and
25

26 **WHEREAS** the Application states the additional capacity assistance is necessary for winter 2018-
27 2019 supply on the Island Interconnected system in light of the reduction in the anticipated
28 availability of power over the Labrador Island Link for winter 2018-2019 and will provide
29 increased flexibility on a cost-effective basis to deal with unanticipated generation or load events
30 that may otherwise require the implementation of a customer outage program to provide peak load
31 management in order to maintain system integrity; and
32

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

1 **WHEREAS** on November 21, 2018 Newfoundland Power advised it had no comments on the
2 Application; and

3
4 **WHEREAS** on November 21, 2018 Vale submitted that they supported the Application; and

5
6 **WHEREAS** in its November 23, 2018 submission Hydro requested that the Board approve the
7 Application as submitted; and

8
9 **WHEREAS** the Board did not receive any other submissions; and

10
11 **WHEREAS** the Board is satisfied that the proposed Application will provide cost-effective
12 flexibility for Hydro to deal with unanticipated generation or load events and is necessary to ensure
13 the continued provision of adequate and reliable supply to Hydro's customers on the Island
14 Interconnected system.

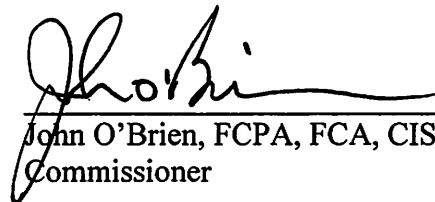
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17 **IT IS THEREFORE ORDERED THAT:**

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19 1. The Load Curtailment Agreement between Hydro and Vale is approved.
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21 2. Hydro shall file with the Board, no later than April 15 of the year following each winter period
22 December 1 - March 31 while the agreement is in place, a report setting out the dates, times,
23 duration and system conditions, including generation available and calculation of system
24 reserve, under which capacity assistance was requested, the capacity assistance requested and
25 provided, and the capacity and variable payments made.
26
27 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 30th day of November, 2018.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary