

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

**AN ORDER OF THE BOARD**

**NO. P.U. 32(2021)**

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  
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 interruptible load service agreement with  
10 Labrador Lynx Limited.  
11  
12

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

17 **WHEREAS** in Order No. P.U. 37(2018) the Board approved an interruptible load service  
18 agreement with Labrador Lynx Limited (“Labrador Lynx”) for the period December 1, 2018  
19 through March 31, 2019 providing for 5,500 kW of interruptible load to be available to Hydro to  
20 address forecast capacity shortfalls for the Labrador East system for the 2018-2019 winter season;  
21 and  
22

23 **WHEREAS** the Muskrat Falls to Happy Valley Interconnection project, which was expected to  
24 provide additional capacity for the Labrador East system, was approved by the Board in Order No.  
25 P.U. 9(2019) and was scheduled for completion in the fall of 2020; and  
26

27 **WHEREAS** in November 2019 Hydro advised the Board that reliable generation at Muskrat Falls  
28 is a prerequisite for operation of the interconnection project and therefore the increase in system  
29 capacity to be provided by interconnection did not occur in 2019; and  
30

31 **WHEREAS** in Order No. P.U. 42(2019) the Board approved an interruptible load service  
32 agreement with Labrador Lynx for the period December 1, 2019 to March 31, 2020 (the “2019  
33 Agreement”) to address forecast capacity shortfall in the 2019-2020 winter season; and  
34

35 **WHEREAS** in September 2020 Hydro advised that, due to the delay in Muskrat Falls generation,  
36 Hydro will continue to supply Labrador East using the 138 kV interconnection to Churchill Falls  
37 via transmission line L1301/L1302; and

1 **WHEREAS** in Order No. P.U. 31(2020) the Board approved an interruptible load service  
2 agreement with Labrador Lynx for the period December 1, 2020 to March 31, 2021 (the “2020  
3 Agreement”) to address forecast capacity shortfall in the 2020-2021 winter season; and  
4

5 **WHEREAS** on October 28, 2021 Hydro advised that, although it had anticipated that the  
6 interconnection could be completed prior to the upcoming winter season, efforts to ensure the  
7 integration and reliability of Muskrat Falls generating units are still ongoing and thus the units are  
8 not available to support the interconnected system in Labrador East; and  
9

10 **WHEREAS** on November 1, 2021 Hydro filed an application (the “Application”) for approval of  
11 an interruptible load service agreement with Labrador Lynx to become effective upon the date the  
12 agreement is approved by the Board through to the earlier of March 31, 2022 or the in-service date  
13 of Transmission Line L1303 (the “2021 Agreement”); and  
14

15 **WHEREAS** the 2021 Agreement will provide approximately 5,500 kW of interruptible load to be  
16 available to Hydro for the duration of the 2021 Agreement and provides that Hydro can interrupt  
17 service to Labrador Lynx up to 20 times during the winter period, up to 6 hours each time, to a  
18 maximum of 100 total hours; and  
19

20 **WHEREAS** consistent with the 2018, 2019 and 2020 Agreements, Hydro will provide Labrador  
21 Lynx with a credit of \$10 per kW per winter month for its maximum monthly demand for an  
22 approximate total cost of \$220,000 and, consistent with the 2020 Agreement, the credit will be  
23 allocated on a pro rata basis based on the number of valid creditable days in the month and the  
24 total number of days in the month; and  
25

26 **WHEREAS** Hydro submits that an interruptible load service agreement with Labrador Lynx will  
27 eliminate the forecast capacity shortfall for the 2021-2022 winter season in Labrador East; and  
28

29 **WHEREAS** the Application was circulated to: Newfoundland Power Inc. (“Newfoundland  
30 Power”); the Consumer Advocate, Dennis Browne, Q.C.; a group of Island Industrial customers:  
31 Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership and Vale  
32 Newfoundland and Labrador Limited; the communities of Sheshatshiu, Happy Valley-Goose Bay,  
33 Wabush and Labrador City; Iron Ore Company of Canada; Praxair Canada Inc.; and Teck  
34 Resources Limited; and  
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36 **WHEREAS** on November 9, 2021 Newfoundland Power advised that it had no comments on the  
37 Application; and  
38

39 **WHEREAS** no other party filed a submission; and  
40

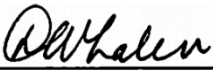
41 **WHEREAS** on November 10, 2021 Hydro requested that, as Newfoundland Power had no  
42 comments and no other party filed a submission, the Board approve the application as submitted;  
43 and  
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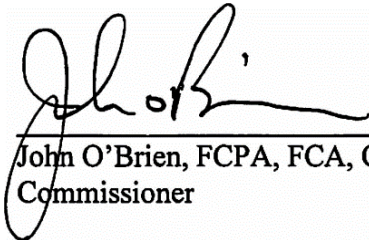
45 **WHEREAS** the Board is satisfied that the proposed 2021 Agreement is reasonable and necessary  
46 to ensure the continued provision of safe and reliable electric supply to Hydro’s customers and  
47 should be approved.

1 **IT IS THEREFORE ORDERED THAT:**  
2

- 3 1. The proposed Interruptible Load Service Agreement with Labrador Lynx Limited, to be  
4 effective from December 1, 2021 through to the earlier of March 31, 2022 or the in-service  
5 date of Transmission Line L1303, is approved.  
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7 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 19<sup>th</sup> day of November, 2021.

  
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Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer

  
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John O'Brien, FCPA, FCA, CISA  
Commissioner

  
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Sara Kean  
Assistant Board Secretary