

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

AN ORDER OF THE BOARD

NO. P.U. 16(2023)

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 an
9 exemption to Regulation 17 of its rules and
10 regulations and approval of an Upstream
11 Capacity Charge pursuant to the Network
12 Additions Policy.
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15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
16 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is
17 also subject to the provisions of the **EPCA**; and
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19 **WHEREAS** in Order No. P.U. 36(2018) the Board approved a revision to Hydro’s rules and
20 regulations to permit a restriction on load additions in excess of 100 kW in Labrador East for the
21 2018-2019 winter season and in Order No. P.U. 34(2019) the Board increased the restriction
22 threshold to 200 kW, extended the restriction geographically to include Labrador West, and
23 ordered that the restriction remain in place until further order of the Board; and
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25 **WHEREAS** Regulation 17 of Hydro’s rules and regulations sets out the approved restriction on
26 load in Labrador East and West and permits Hydro to apply for a variance or exemption to this
27 restriction where there are special circumstances surrounding an application for service; and
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29 **WHEREAS** in Order No. P.U. 7(2021) the Board approved the Network Additions Policy for the
30 Labrador Interconnected System, which is intended to limit rate increases that can result from
31 investments necessary to serve new load requests, but also to share the benefits of new
32 transmission investments amongst new and existing customers; and
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34 **WHEREAS** pursuant to the Network Additions Policy, customer contributions include Upstream
35 Capacity Charges based on Hydro’s Transmission Expansion Plan with the peak demand for the
36 applicant being the key determinant of the cost assignment; and

1 **WHEREAS** restrictions pursuant to Regulation 17 remain in place while the system expansion
2 needs are determined; and

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4 **WHEREAS** on June 6, 2023 Hydro filed an application for an exemption to Regulation 17 and
5 approval of an Upstream Capacity Charge pursuant to the Network Additions Policy (the
6 “Application”); and

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8 **WHEREAS** the Application stated that Hydro received a request for service from Labrador Camp
9 Services Ltd. for the construction of 39 trailers to serve as accommodation for employees of
10 Tacora Resources Inc. with each trailer having an estimated peak demand of 25 kW, with an
11 estimated peak demand for the entire complement of trailers totaling 975 kW; and

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13 **WHEREAS** the Application stated that the units are necessary for Tacora Resources Inc. to provide
14 housing to new and current employees to enable the necessary staffing required for its
15 operations; and

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17 **WHEREAS** the Application stated it is evident that the proposed infrastructure is necessary for
18 the continued operation of an industrial organization that provides substantial employment in
19 the area and would have the added benefit of alleviating some of the demands on housing in
20 that area and that an exemption to Regulation 17 is warranted; and

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22 **WHEREAS** pursuant to the Network Additions Policy, as the demand request is less than 1,500
23 kW, Hydro has calculated an Upstream Capacity Charge of three hundred and sixty thousand,
24 three hundred and seventy-five dollars (\$360,375.00), which is the contribution required from
25 the customer requesting an increase to capacity on common assets; and

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27 **WHEREAS** the Application stated that Labrador Camp Services Ltd. has confirmed their
28 acceptance of this contribution; and

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30 **WHEREAS** the Application stated that Hydro will conduct a two-year review of the
31 reasonableness of the forecast peak demand used in computing the Upstream Capacity Charge
32 and, if the customer’s actual peak demand exceeds the forecast peak demand used in computing
33 the Upstream Capacity Charge by greater than 10%, the Upstream Capacity Charge will be
34 recalculated and will result in an additional charge to Labrador Camp Services Ltd., pursuant to
35 the Network Additions Policy; and

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37 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
38 the Consumer Advocate, Dennis Browne, K.C.; a group of Island Industrial customers: Corner
39 Brook Pulp and Paper Limited, Braya Renewable Fuels, and Vale Newfoundland & Labrador
40 Limited; Iron Ore Company of Canada; and the communities of Sheshatshiu, Happy Valley-Goose
41 Bay, Wabush, and Labrador City (the “Labrador Interconnected Group”); and

42

43 **WHEREAS** on June 8, 2023 the Labrador Interconnected Group advised that it had no objection
44 to the requested exemption being approved or the Upstream Capacity Charge; and

1 **WHEREAS** on June 12, 2023 Newfoundland Power advised that it had no comments regarding
2 the Application; and

3
4 **WHEREAS** on June 13, 2023 Hydro filed a reply requesting the Board approve the Application as
5 submitted; and

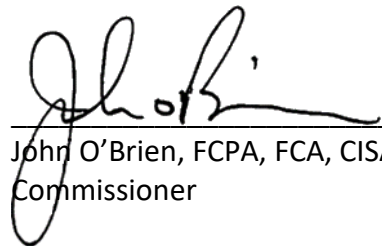
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7 **WHEREAS** no other comments were received by the Board; and

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9 **WHEREAS** the Board is satisfied that an exemption to Regulation 17 to provide service to the
10 units as requested by Labrador Camp Services Ltd. is warranted and that the associated Upstream
11 Capacity Charge should be approved.


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14 **IT IS THEREFORE ORDERED THAT:**

- 15
16 1. An exemption to Regulation 17 to provide service to the units as requested by Labrador Camp
17 Services Ltd. is approved.
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19 2. The Upstream Capacity Charge of three hundred and sixty thousand, three hundred and
20 seventy-five dollars (\$360,375.00) is approved.
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22 3. Hydro shall pay all expenses of the Board arising from this Application.

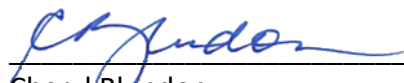
DATED at St. John's, Newfoundland and Labrador, this 19th day of June 2023.



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary