

P.U. 12 (2002-2003)

**IN THE MATTER OF the
PUBLIC UTILITIES ACT,**
R.S.N. 1990, c. P-47, as amended
("the *Act*")

AND

IN THE MATTER OF an *Ex Parte*
Application by Newfoundland and
Labrador Hydro ("Hydro") for the
approval of an additional supply of
non-firm power and energy on a
temporary basis to one of its
industrial customers, Corner Brook
Pulp and Paper Limited, pursuant to
Section 71 of the *Act*.

WHEREAS Corner Brook Pulp and Paper Limited ("CBPP"), an Island Industrial Customer of Hydro, is
carrying out certain construction works pertaining to a co-generation project it is undertaking at its paper
mill which will result in the temporary loss of availability of its oil-fired boiler that it operates to produce
process steam for its paper mill operations; and

WHEREAS Hydro has agreed to supply, temporarily, up to 20 MW of additional power and associated
energy, on a non-firm basis at its sole discretion, which may be required by CBPP to operate its electric
boiler while its oil-fired boiler is not available (the "Electric Boiler Power and Energy"); and

WHEREAS Hydro has applied to the Board for approval to charge CBPP the Industrial Non-Firm rate as proposed by Hydro in its May 2001 General Rate Application, modified to reflect a fuel efficiency factor of 615 kWh/bbl, as established by the Board in Order No. P. U. 7 (2002-2003), calculated as set out in Appendix “A”; and

WHEREAS the supply of the Electric Boiler Power and Energy is outside of the rules and regulations approved by the Board in Order No. P.U. 7 (2002-2003) and modified by Order No. P.U. 11 (2002-2003); and

WHEREAS Schedule A of the Application provided a copy of a letter setting out the agreement of CBPP with the proposal outlined in Hydro’s Application; and

WHEREAS the Board has considered the information before it.

IT IS THEREFORE ORDERED THAT:

1. Pursuant to Section 71 of the *Act*, the temporary supply of the Electric Boiler Power and Energy shall be in accordance with the Rules and Regulations approved by the Board in Order No. P.U. 7 (2002-2003), as amended, pertaining to the provision of electrical service by Hydro to CBPP.
2. Pursuant to Section 75 of the *Act*:
 - (a) Until the Board issues a final Order approving such other rate, the rate charged for the Electric Boiler Power and Energy shall be the Industrial Non-Firm rate as proposed by Hydro in its 2001 General Rate Application, modified to reflect a fuel efficiency factor of 615 kWh/bbl as established by the Board in Order No. P.U. 7 (2002-2003), calculated as set out in the attached Appendix "A".
 - (b) The amounts paid by CBPP for any supply of Electric Boiler Power and Energy prior to the issuance of the Board's final Order fixing the Industrial Non-Firm rate will be adjusted to reflect any reduction in the rate and an appropriate credit will be issued by Hydro to CBPP.

DATED at St. John's, Newfoundland and Labrador, this 11th day of July 2002.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Barbara Thistle,
Assistant Board Secretary.

APPENDIX “A”

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – NON-FIRM

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 Demand Charge:

The rate for Non-Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$1.50 per month per kilowatt of billing demand.

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:

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

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%)

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 615 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.