

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

**AN ORDER OF THE BOARD**

**NO. P.U. 3(2017)**

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  
10 Vale Newfoundland and Labrador Limited  
11 pursuant to sections 70, 71 and 80 of the *Act*.  
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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  
16 is subject to the provisions of the *EPCA*; and  
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18 **WHEREAS** on November 30, 2016 Hydro filed an updated Energy Supply Risk Assessment  
19 with the Board which identified the potential for expected unserved energy in excess of planning  
20 criteria for two of the sensitivity demand forecasts considered for winter 2016-2017 and  
21 determined that this exposure would be mitigated by availability of an incremental 10 MW on  
22 the Avalon Peninsula; and  
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24 **WHEREAS** in Order No. P.U. 55(2016) the Board approved an agreement with Praxair to  
25 provide 5 MW of curtailable load; and  
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27 **WHEREAS** on January 4, 2017 the Board received an application from Hydro requesting  
28 approval of a Load Curtailment Agreement (the “Agreement”) with Vale Newfoundland and  
29 Labrador Limited (“Vale”), commencing upon execution and ending March 31, 2018 (the  
30 “Application”); and  
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32 **WHEREAS** the Application states that Hydro has attempted to secure additional curtailable load  
33 on the Avalon Peninsula in order to reduce the expected unserved energy; and  
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35 **WHEREAS** the Agreement with Vale provides for 6 MW of curtailable load; and  
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37 **WHEREAS** Hydro submits that the Agreement provides Hydro with increased flexibility, on a  
38 cost effective basis, to deal with unanticipated generation or load events that may otherwise

1 require the implementation of a customer outage program to effect peak load management in  
2 order to maintain system integrity; and

3  
4 **WHEREAS** the Application was circulated to Newfoundland Power Inc. (“Newfoundland  
5 Power”), the Consumer Advocate, a group of Island Industrial customers: Corner Brook Pulp  
6 and Paper Limited and North Atlantic Refining Limited (the “Industrial Customer Group”), Vale,  
7 Praxair Canada Inc. and Teck Resources Limited; and

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9 **WHEREAS** the Consumer Advocate issued a Request for Information which was answered by  
10 Hydro on January 16, 2017; and

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12 **WHEREAS** Newfoundland Power advised the Board that it had no comments on the  
13 Application, the Industrial Customer Group advised the Board that they support the Application  
14 and the Consumer Advocate did not file comments; and

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16 **WHEREAS** Hydro filed a reply submission on January 18, 2017 stating that the Agreement with  
17 Vale will assist Hydro in ensuring system reliability and should be approved; and

18  
19 **WHEREAS** the Board is satisfied that the Agreement between Hydro and Vale will provide  
20 additional reliability to the Island Interconnected system; and

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22 **WHEREAS** the Board will require Hydro to file with the Board, no later than April 15 of the  
23 year following each winter period December 1 - March 31, a report setting out the dates, times,  
24 duration and system conditions, including generation available and calculation of system reserve,  
25 under which capacity assistance was requested, the capacity assistance requested and provided,  
26 and the capacity and variable payments made.

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28  
29 **IT IS THEREFORE ORDERED THAT:**

- 30  
31 1. The proposed Load Curtailable Agreement with Vale Newfoundland and Labrador Limited  
32 is approved.  
33  
34 2. Hydro shall file with the Board, no later than April 15 of the year following each winter  
35 period December 1 - March 31 while the agreement is in place, a report setting out the  
36 dates, times, duration and system conditions, including generation available and calculation  
37 of system reserve, under which capacity assistance was requested, the capacity assistance  
38 requested and provided, and the capacity and variable 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 25<sup>th</sup> day of January 2017.



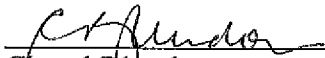
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Darlene Whalen, P.Eng.  
Vice-Chair



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Dwanda Newman, LL.B.  
Commissioner



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Cheryl Blundon  
Board Secretary