

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

AN ORDER OF THE BOARD

NO. P.U. 33(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, and
5 regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro
9 for approval of a Commissioning
10 Power Non-Firm Rate pursuant to
11 Sections 70(1) and 71 of the *Act*.
12
13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
15 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
16 and is also subject to the provisions of the *EPCA*; and
17

18 **WHEREAS** on September 25, 2017 Hydro filed an application for approval of a Commissioning
19 Power Non-Firm Rate which would apply to the supply of power on a non-firm basis for the
20 commissioning of the Maritime Link (the “Application”); and
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22 **WHEREAS** the Application stated that Nova Scotia Power Maritime Link has requested that
23 Hydro supply the power necessary to commission the Maritime Link; and
24

25 **WHEREAS** the Application explained that the Maritime Link is an HVdc link connecting the
26 island of Newfoundland to Nova Scotia which will improve reliability and increase options for
27 supply to customers of the Island Interconnected System; and
28

29 **WHEREAS** the Application further explained that the commissioning power will be provided
30 under conditions acceptable to Hydro; and
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32 **WHEREAS** Hydro stated that the high power testing for which the requested rate is applicable is
33 currently expected to be required in early to mid-December 2017 but this is subject to change as
34 the provision of the power and the timing of the testing is subject to Hydro being able to meet
35 native load while maintaining its standard reliability criteria; and
36

37 **WHEREAS** the proposed Commissioning Power Non-Firm Rate has the same structure and is
38 calculated in the same way as the Industrial Non-Firm Energy Rate which provides for full
39 recovery of the cost of generating and delivering non-firm power and energy; and

1 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
2 Dennis Browne, Q.C.; a group of Island Industrial customers: Corner Brook Pulp and Paper
3 Limited and NARL Refining Limited Partnership, Vale Newfoundland and Labrador Limited,
4 Praxair Canada Inc., and Teck Resources Limited (the “Industrial Customer Group”); and
5

6 **WHEREAS** on October 13, 2017 Hydro answered requests for information from the Industrial
7 Customer Group, Newfoundland Power and the Board; and
8

9 **WHEREAS** on October 18, 2017 Newfoundland Power and the Industrial Customer Group
10 confirmed that they would not be filing submissions; and
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12 **WHEREAS** the Consumer Advocate did not file any comments; and
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14 **WHEREAS** in its October 19, 2017 submission Hydro noted that it did not receive any comments
15 and requested that the Board approve the Application; and
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17 **WHEREAS** the Board is satisfied that approval of the proposed Commissioning Power Non-Firm
18 Rate is reasonable in the circumstances.
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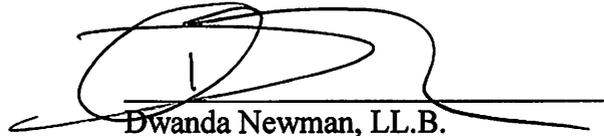
20
21 **IT IS THEREFORE ORDERED THAT:**
22

- 23 1. The Commissioning Power Non-Firm Rate proposed by Hydro, as set out in Schedule A to
24 be effective for electrical consumption on and after the date of this Order, is approved.
- 25 2. Hydro shall pay all expenses of the Board arising from this Application.
26

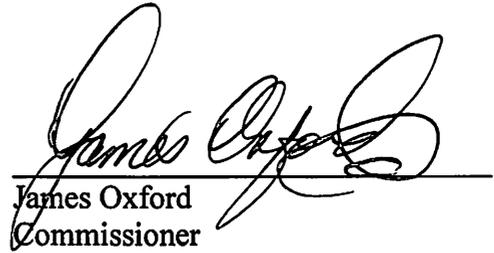
DATED at St. John's, Newfoundland and Labrador, this 27th day of October, 2017.



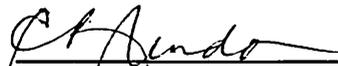
Darlene Whalen, P. Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Cheryl Blundon
Board Secretary

NEWFOUNDLAND AND LABRADOR HYDRO
COMMISSIONING POWER NON-FIRM RATE

Availability:

Any person purchasing power for the purpose of commissioning electrical transmission assets, 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.

Rate:

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:

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

- 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%)
- D = the average system losses on the Island Interconnected grid for the last five years ending in 2013 (3.47%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 618 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 shall be applied.

General:

Delivery of power and energy under this rate is subject to Hydro's ability to supply, and may be reduced or interrupted at the discretion of Hydro.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.