

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

AN ORDER OF THE BOARD

NO. P.U. 36(2022)

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 1990,
4 Chapter P-47 (the “**Act**”), as amended, and regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval of
9 the extension of a temporary service agreement
10 with a customer in Labrador West pursuant to
11 section 71 of the **Act**.
12
13

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

18 **WHEREAS** in Order No. P.U. 27(2018) the Board approved a temporary service agreement with
19 77849 Newfoundland and Labrador Inc. (now Blockchain Labrador Corporation) operating as
20 BlockLAB (“BlockLAB”); and
21

22 **WHEREAS** the temporary service agreement will expire on December 31, 2022; and
23

24 **WHEREAS** on September 15, 2022 Hydro filed an application for approval of, among other items,
25 a non-firm rate for the Labrador Interconnected System to enable the provision of service by
26 utilizing the limited available non-firm capacity; and
27

28 **WHEREAS** BlockLAB has requested service under the proposed Labrador Interconnected System
29 non-firm rate but the review process will not be complete by December 31, 2022; and
30

31 **WHEREAS** on November 10, 2022 Order in Council OC2022-266 was issued exempting Hydro
32 from the legislative obligation to supply firm electrical service to applicants from cryptocurrency
33 industries; and
34

35 **WHEREAS** as a result of Order in Council OC2022-266, the on-going review of the non-firm rate
36 application and the termination date of the existing temporary service agreement, BlockLAB will
37 no longer receive any service from Hydro in Labrador after December 31, 2022; and

1 **WHEREAS** on December 2, 2022 Hydro filed an application for approval of an Amended and
2 Restated Temporary Service Agreement to extend the temporary service agreement with
3 BlockLAB to allow for the conclusion of the regulatory process regarding the proposed Labrador
4 Interconnected System non-firm rate and to allow BlockLAB to continue receiving electrical
5 service on a temporary basis (the “Application”); and
6

7 **WHEREAS** the Application states the terms of the Amended and Restated Temporary Service
8 Agreement would remain the same with Hydro having the ability to require BlockLAB to reduce
9 its demand requirements within 30 minutes to ensure that service to BlockLAB does not impede
10 Hydro’s ability to supply the contracted Power on Order with the Labrador Industrial customers;
11 and
12

13 **WHEREAS** the termination clause in the approved temporary service agreement noted that the
14 temporary service shall be deemed to end at the earlier of (i) December 31, 2022; (ii) three (3)
15 years less a day from the date of service connection, as set out in the Schedule of Rates, Rules &
16 Regulations as approved by the Board; (iii) the Customer’s written declaration to Hydro that the
17 temporary service has ended; or (iv) when the Customer’s load requirements would impede
18 Hydro’s ability to supply the contracted Power on Order with its Labrador Industrial customers
19 with which Hydro already has contracts; and
20

21 **WHEREAS** the Application states the revised termination clause of the Amended and Restated
22 Temporary Service Agreement shall be deemed to end at the earlier of (i) the effective date of
23 an Order from the Board with respect to Hydro’s non-firm rate application; (ii) the Customer’s
24 written declaration to Hydro that the temporary service has ended; or (iii) when the Customer’s
25 load requirements would impede Hydro’s ability to supply the contracted Power on Order with
26 its Labrador industrial customers with which Hydro already has contracts; and
27

28 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
29 the Consumer Advocate, Dennis Browne, K.C.; a group of Island Industrial customers: Corner
30 Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc. and Vale
31 Newfoundland & Labrador Limited; the communities of Sheshatshiu, Happy Valley-Goose Bay,
32 Wabush, and Labrador City; Teck Resources Limited; Linde Canada Inc.; Iron Ore Company of
33 Canada; and Blockchain Labrador Corp.; and
34

35 **WHEREAS** on December 8, 2022 Newfoundland Power advised it did not have any comments on
36 the Application; and
37

38 **WHEREAS** no other comments were received by the Board; and
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40 **WHEREAS** on December 12, 2022 Hydro filed a reply requesting that the Board approve the
41 Application as submitted; and
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43 **WHEREAS** the Board is satisfied that approval of the Amended and Restated Temporary Service
44 Agreement as proposed by Hydro will not adversely impact existing customers or impose any
45 additional costs on the Labrador Interconnected System.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The proposed Amended and Restated Temporary Service Agreement with Blockchain
4 Labrador Corporation carrying on business as BlockLAB is approved.

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6 2. Hydro shall file a copy of the Amended and Restated Temporary Service Agreement with the
7 Board within five business days of execution.

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9 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 16th day of December 2022.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Assistant Board Secretary