

1 **P. U. 18(2007)**

2
3 **IN THE MATTER OF** the *Electrical Power*
4 *Control Act*, RSNL 1994, Chapter E-5.1 (the
5 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,
6 Chapter P-47 (the “*Act*”) as amended, and their
7 subordinate regulations;

8
9 **AND**

10
11 **IN THE MATTER OF** an application
12 by Newfoundland and Labrador Hydro (“Hydro”)
13 for approval of certain rules and regulations
14 pertaining to the supply of electrical power and
15 energy to one of its industrial customers, Corner
16 Brook Pulp and Paper Limited (“CBPP”), pursuant to
17 Sections 70 and 71 of the *Act*.

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19
20 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is
21 a public utility within the meaning of the *Act* and is also subject to the provisions of the *EPCA*;
22 and

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24 **WHEREAS** on May 25, 2007 Hydro made application to the Board for approval of an
25 amendment to the rules and regulations in relation to the provision of service to CBPP (the
26 “Application”); and

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28 **WHEREAS** the Board in Order No. P. U. 7(2002-2003) approved, inter alia, the rules and
29 regulations of service under which Hydro provides service to CBPP (the “Service Agreement”)
30 which Service Agreement has been subsequently amended by the Board by Order Nos. P. U.
31 11(2002-2003), P. U. 12(2002-2003) and P. U. 6(2003); and

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33 **WHEREAS** in accordance with the provisions of the Service Agreement, CBPP purchases both
34 firm and non-firm power and energy from Hydro to supplement its own hydroelectric generating
35 capacity; and

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37 **WHEREAS** the Application states that, due to lower than anticipated inflows in CBPP’s
38 reservoirs, CPBB advised that it will, beginning in May 2007 and for the remainder of the
39 calendar year, require 10 MW of purchased power and associated energy in addition to the
40 amount of power anticipated to be necessary in accordance with the Service Agreement; and

1 **WHEREAS** Hydro is willing and able to supply this additional power and associated energy and
2 therefore filed the Application for an amendment to the Service Agreement to provide specific
3 authority to offer this additional power and associated energy; and
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5 **WHEREAS** the Application states that to ensure recovery of all of the costs of providing this
6 power and associated energy Hydro proposes to provide the additional power and associated
7 energy as non-firm power and energy which is charged at a higher rate than firm power since it is
8 intended to recover all marginal fuel costs; and
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10 **WHEREAS** Hydro has applied to increase the amount of non-firm power available to CBPP
11 under the Service Agreement from 5.2 to 15.2 MW with effect from May 1, 2007 through to and
12 including December 31, 2007; and
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14 **WHEREAS** a copy of the Application was provided to the other industrial customers of Hydro
15 and the counsel of record for these customers, the Consumer Advocate and Newfoundland Power
16 (the "Other Participants") when it was filed with the Board, and the Other Participants were
17 offered an opportunity to make submissions in relation to the Application; and
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19 **WHEREAS** on May 29, 2007 the Board issued information requests to Hydro in relation to the
20 Application; and
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22 **WHEREAS** on June 1, 2007 Hydro filed answers to the information requests; and
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24 **WHEREAS** on June 4, 2007 the Board advised the Other Participants that the answers to the
25 information requests had been filed and provided notice of a final opportunity to make
26 submissions, advising that after June 6, 2007 the Board would proceed to make a determination
27 based on the written record; and
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29 **WHEREAS** on June 6, 2007 Newfoundland Power Inc. advised that it would not comment on
30 the Application; and
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32 **WHEREAS** on June 6, 2007 two of the industrial customers of Hydro, North Atlantic Refining
33 Limited and Aur Resources Inc., filed Intervenor submissions asking that the Application be
34 approved as filed; and
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36 **WHEREAS** on June 6, 2007 another industrial customer, Abibiti Consolidated Inc. advised that
37 it would be taking no position on the Application; and
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39 **WHEREAS** the Board received no other submissions in relation to the Application;
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41 **WHEREAS** the Board is satisfied that approval of the proposed amendment to the Service
42 Agreement is appropriate and reasonable in the circumstances.
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1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The Board approves the amendment of Clause 4.01 of the CBPP Service Agreement
4 such that the sentence that reads:

5
6 *“Provided the Amount of Power on Order is equal to or greater than 20,000 kW, the amount*
7 *of Interruptible Demand and Energy available shall be the greater of 10% of the Amount of*
8 *Power on Order and 5,000 kW.”*
9

10 be deleted and replaced with:

11
12 *“Provided the Amount of Power on Order is equal to or greater than 20,000 kW, the amount*
13 *of Interruptible Demand and Energy available shall be the greater of 10% of the Amount of*
14 *Power on Order and 5,000 kW, but for the period from May 1, 2007 through to December 31,*
15 *2007, both inclusive, the amount of Interruptible Demand and Energy available shall be*
16 *15,200 kW.”*
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19 2. Hydro shall pay the expenses of the Board arising out of this Application.

Dated at St. John's, Newfoundland and Labrador, this 28th day of June 2007.

Robert Noseworthy
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary