

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

AN ORDER OF THE BOARD

NO. P.U. 15(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
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 for an
9 exemption to Regulation 17 of its rules and
10 regulations and approval of an Upstream
11 Capacity Charge pursuant to the Network
12 Additions Policy.
13
14

15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
16 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
17 and is also subject to the provisions of the *EPCA*; and
18

19 **WHEREAS** in Order No. P.U. 36(2018) the Board approved a revision to Hydro’s rules and
20 regulations to permit a restriction on load additions in excess of 100 kW in Labrador East for the
21 2018-2019 winter season and in Order No. P.U. 34(2019) the Board increased the restriction
22 threshold to 200 kW, extended the restriction geographically to include Labrador West, and
23 ordered that the restriction remain in place until further order of the Board; and
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25 **WHEREAS** Regulation 17 of Hydro’s rules and regulations sets out the approved restriction on
26 load in Labrador East and West and permits Hydro to apply for a variance or exemption to this
27 restriction where there are special circumstances surrounding an application for service; and
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29 **WHEREAS** in Order No. P.U. 7(2021) the Board approved the Network Additions Policy for the
30 Labrador Interconnected System, which is intended to limit rate increases that can result from
31 investments necessary to serve new load requests, but also to share the benefits of new transmission
32 investments amongst new and existing customers; and
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34 **WHEREAS** pursuant to the Network Additions Policy, customer contributions include Upstream
35 Capacity Charges based on Hydro’s Transmission Expansion Plan with the peak demand for the
36 applicant being the key determinant of the cost assignment; and

1 **WHEREAS** restrictions pursuant to Regulation 17 remain in place while the system expansion
2 needs are determined; and

3
4 **WHEREAS** on April 4, 2022 Hydro filed an application for an exemption to Regulation 17 and
5 approval of an Upstream Capacity Charge pursuant to the Network Additions Policy (the
6 “Application”); and

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8 **WHEREAS** the Application stated that Hydro received a request for service from Transport
9 Canada for an additional peak load of 550 kW to upgrade the Wabush airport terminal building’s
10 heating system and an additional peak load of 275kW to construct a new runway sweeper garage
11 and sand & urea shed; and

12
13 **WHEREAS** the Application stated that, in response to a request for further information with
14 respect to the terminal building’s heating system, Hydro was advised the oil fire boilers are outside
15 their 40-year extended life cycle and are furthermore obsolete, making replacement parts difficult
16 to source; and

17
18 **WHEREAS** the Application stated that the new runway sweeper garage is required to house new
19 Mauler runway sweepers and materials used to de-ice the runway and parking lot areas and that
20 new sweepers are needed to improve snow clearing operations on the runway/taxiway which has
21 been identified as a Transport Canada requirement to continue improving aircraft safety and the
22 safety of all passengers/crew flying in and out of Wabush; and

23
24 **WHEREAS** the Application stated it is evident that the proposed upgrades are necessary for the
25 safety and continued operation of the Wabush airport and that an exemption to Regulation 17 is
26 warranted; and

27
28 **WHEREAS** pursuant to the Network Additions Policy, as the demand request is less than 1,500
29 kW, Hydro has calculated an Upstream Capacity Charge of two hundred and ninety thousand, six
30 hundred and twenty-five dollars (\$290,625.00), which is the contribution required from the
31 customer requesting an increase to capacity on common assets; and

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33 **WHEREAS** the Application stated that Transport Canada has confirmed their acceptance of this
34 contribution as attached in Schedule 5 to the Application; and

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36 **WHEREAS** the Application stated that Hydro will conduct a two-year review of the
37 reasonableness of the forecast peak demand used in computing the Upstream Capacity Charge and,
38 if the customer’s actual peak demand exceeds the forecast peak demand used in computing the
39 Upstream Capacity Charge by greater than 10%, the Upstream Capacity Charge will be
40 recalculated and will result in an additional charge to Transport Canada, pursuant to the Network
41 Additions Policy; and

42
43 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
44 Dennis Browne, Q.C.; a group of Island Industrial customers: Corner Brook Pulp and Paper
45 Limited, Braya Renewable Fuels (Newfoundland) GP Inc. (formerly known as NARL Refining
46 Limited Partnership), and Vale Newfoundland & Labrador Limited; Iron Ore Company of Canada;

1 and the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City (the
2 “Labrador Interconnected Group”); and
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4 **WHEREAS** on April 14, 2022 the Labrador Interconnected Group filed requests for information
5 which were answered by Hydro on April 20, 2022; and
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7 **WHEREAS** on April 29, 2022 the Labrador Interconnected Group submitted that it is in favour
8 of the Application, stating that the Wabash Airport is an important part of the community, but also
9 raised points with respect to generation capacity and heat pump technologies for the Board’s
10 consideration in future matters; and
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12 **WHEREAS** on May 3, 2022 Hydro filed a reply submission noting the support of the Labrador
13 Interconnected Group, acknowledging the Labrador Interconnected Group’s points for
14 consideration and requesting that the Board approve the Application as submitted; and
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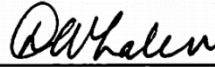
16 **WHEREAS** no other comments were received by the Board; and
17

18 **WHEREAS** the Board is satisfied that an exemption to Regulation 17 to upgrade the Wabush
19 airport terminal building’s heating system and to construct a new runway sweeper garage and sand
20 & urea shed is warranted and that the associated Upstream Capacity Charge should be approved.
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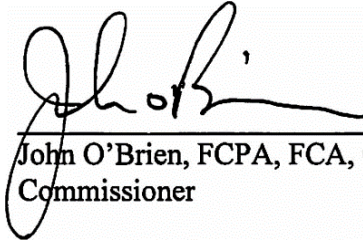
23 **IT IS THEREFORE ORDERED THAT:**
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- 25 1. An exemption to Regulation 17 to upgrade the Wabush airport terminal building’s heating
26 system and to construct a new runway sweeper garage and sand & urea shed is approved.
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- 28 2. The Upstream Capacity Charge of two hundred and ninety thousand, six hundred and twenty-
29 five dollars (\$290,625.00) is approved.
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- 31 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 6th day of May, 2022.



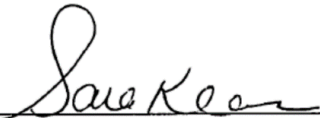
Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Sara Kean
Assistant Board Secretary