

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

AN ORDER OF THE BOARD

NO. P.U. 5(2021)

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 to
9 continue the current Island Industrial Customer rates
10 pursuant to sections 70(1) and 71 of the *Act*.
11
12

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

17 **WHEREAS** the Rate Stabilization Plan (“RSP”) Rules provide that the Island Industrial Customer
18 rates be adjusted on January 1 each year to update the RSP Fuel Rider and the RSP Current Plan
19 Adjustment; and
20

21 **WHEREAS** Section C of the RSP Rules requires an update of the Island Industrial Customer RSP
22 Fuel Rider to anticipate fuel price changes based on an October fuel projection, to become effective
23 January 1 of the following year; and
24

25 **WHEREAS** on October 15, 2020 Hydro filed the October fuel projection with an updated forecast
26 price of No. 6 fuel of \$60.85 per barrel (CDN) for 2021; and
27

28 **WHEREAS** Section D.2 of the RSP Rules requires an update to the Island Industrial Customer
29 RSP Current Plan Adjustment to become effective January 1 of each year to recover the balance
30 in the Island Industrial Customer RSP at December 31 of the previous year and forecast financing
31 charges; and
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33 **WHEREAS** on January 26, 2021 Hydro filed an application to delay the January 1, 2021 Island
34 Industrial Customer RSP adjustments to February 1, 2021 and requested approval to continue the
35 Island Industrial Customer RSP Fuel Rider of (0.059) cents per kWh and the RSP Current Plan
36 Adjustment of 0.226 cents per kWh (the “Application”); and
37

38 **WHEREAS** the Application stated that the January 1, 2021 adjustments would result in a material
39 rate decrease for the Island Industrial customers of approximately 20%; and

1 **WHEREAS** the Application stated that discussions are ongoing to inform a proposal that would
2 provide for updated RSP adjustments that would strike an appropriate balance between
3 intergenerational equity and rate stability in the longer term; and
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5 **WHEREAS** the Application proposed that the January 1, 2021 adjustment of the Island Industrial
6 Customer RSP rates as required by Sections C.1 and D.2 of the RSP Rules be delayed until
7 February 1, 2021 to allow discussions to continue and for compliance with the RSP rules; and
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9 **WHEREAS** the Application included confirmation from Praxair Canada Inc. and Teck Resources
10 Limited that they had no objection to the delay of the Island Industrial Customer RSP adjustments;
11 and
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13 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
14 the Consumer Advocate, Dennis Browne, Q.C. (the “Consumer Advocate”); a group of Island
15 Industrial Customers: Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership
16 and Vale Newfoundland and Labrador Limited (the “Industrial Customer Group”); Praxair Canada
17 Inc.; and Teck Resources Limited; and
18

19 **WHEREAS** the Industrial Customer Group advised on January 27, 2021 that it consented to the
20 Application; and
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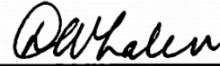
22 **WHEREAS** on January 27, 2021 Newfoundland Power advised it had no comment on the
23 Application and the Consumer Advocate advised ratepayers had no objection to the request; and
24

25 **WHEREAS** the Board is satisfied that delaying the January 1, 2021 Island Industrial Customer
26 RSP adjustments and continuing current Island Industrial Customer rates until further order of the
27 Board is reasonable in the circumstances and, if necessary, the Board will direct Hydro with respect
28 to the filing of a further application in relation to the Island Industrial Customer RSP adjustments.
29

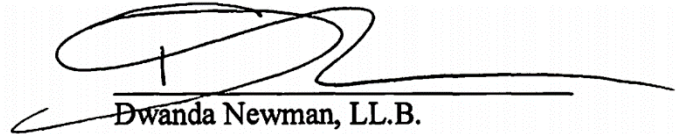
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31 **IT IS THEREFORE ORDERED THAT:**
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- 33 1. The January 1, 2021 Rate Stabilization Plan adjustments for Island Industrial Customers is
34 delayed until a further Order of the Board.
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- 36 2. The current Island Industrial Customer rates are continued until further order of the Board.
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- 38 3. Hydro shall pay all expenses of the Board arising from this Application.


DATED at St. John's, Newfoundland and Labrador, this 28th day of January, 2021.



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



Dwanda Newman, LL.B.
Vice-Chair



Cheryl Blundon
Board Secretary