

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

AN ORDER OF THE BOARD

NO. P.U. 2(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 to
9 continue the current Island Industrial Customer rates
10 pursuant to sections 70(1) and 71 of the *Act*.
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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** in Order No. P.U. 33(2021) which addressed, among other matters, various proposals
18 from Hydro related to the establishment of new deferral accounts and changes to existing deferral
19 accounts, the Board did not approve Hydro’s proposals related to the discontinuance of the Rate
20 Stabilization Plan (“RSP”) and determined that the 2022 RSP rate adjustments should proceed as
21 scheduled; and
22

23 **WHEREAS** the RSP Rules provide that the Island Industrial Customer rates be adjusted on
24 January 1 each year to update the RSP Fuel Rider and the RSP Current Plan Adjustment; and
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26 **WHEREAS** Section C of the RSP Rules requires an update of the Island Industrial Customer RSP
27 Fuel Rider to anticipate fuel price changes based on an October fuel projection, to become effective
28 January 1 of the following year; and
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30 **WHEREAS** on October 15, 2021 Hydro filed the October fuel projection with an updated forecast
31 price of No. 6 fuel of \$90.30 per barrel (CDN) for 2022; and
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33 **WHEREAS** Section D.2 of the RSP Rules requires an update to the Island Industrial Customer
34 RSP Current Plan Adjustment to become effective January 1 of each year to recover the balance
35 in the Island Industrial Customer RSP at December 31 of the previous year and forecast financing
36 charges; and
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38 **WHEREAS** on January 11, 2022 Hydro filed an application to delay the January 1, 2022 Island
39 Industrial Customer RSP adjustments to February 1, 2022 and requested approval to continue the

1 Island Industrial Customer RSP Fuel Rider of (0.823) cents per kWh and the RSP Current Plan
2 Adjustment of 0.423 cents per kWh (the “Application”); and
3

4 **WHEREAS** the Application stated that the January 1, 2022 adjustments would result in a material
5 rate increase for the Island Industrial customers of approximately 23.5% in 2022, followed by a
6 rate decrease of 6.5% in 2023; and
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8 **WHEREAS** the Application stated that discussions are ongoing to inform a proposal that would
9 provide for updated RSP adjustments that would strike an appropriate balance between
10 intergenerational equity and rate stability in the longer term; and
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12 **WHEREAS** the Application proposed that the January 1, 2022 adjustment of the Island Industrial
13 Customer RSP rates as required by Sections C.1 and D.2 of the RSP Rules be delayed until
14 February 1, 2022 to allow discussions to continue and for compliance with the RSP rules; and
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16 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
17 the Consumer Advocate, Dennis Browne, Q.C. (the “Consumer Advocate”); a group of Island
18 Industrial Customers: Corner Brook Pulp and Paper Limited, NARL Refining Limited Partnership
19 and Vale Newfoundland and Labrador Limited (the “Industrial Customer Group”); Praxair Canada
20 Inc.; and Teck Resources Limited; and
21

22 **WHEREAS** on January 13, 2022 the Industrial Customer Group advised that it supported the
23 Application and Newfoundland Power and the Consumer Advocate both advised they had no
24 comment on the Application; and
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26 **WHEREAS** on January 19, 2022 in its response Hydro requested the Board approve the
27 Application; and
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29 **WHEREAS** the Board is satisfied that delaying the January 1, 2022 Island Industrial Customer
30 RSP adjustments and continuing current Island Industrial Customer rates until further order of the
31 Board is reasonable in the circumstances.
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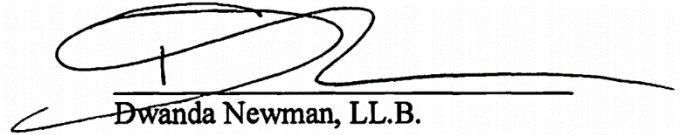
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34 **IT IS THEREFORE ORDERED THAT:**
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- 36 1. The January 1, 2022 Rate Stabilization Plan adjustments for Island Industrial Customers is
37 delayed until a further order of the Board.
- 38 2. The current Island Industrial Customer rates are continued until further order of the Board.
- 39 3. Hydro shall pay all expenses of the Board arising from this Application.
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DATED at St. John's, Newfoundland and Labrador, this 21st day of January, 2022.



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



Dwanda Newman, LL.B.
Vice-Chair



Cheryl Blundon
Board Secretary