

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

**AN ORDER OF THE BOARD**

**NO. P.U. 22(2022)**

1 **IN THE MATTER OF** the *Electrical Power*  
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1  
3 (the “*EPCA*”) and the *Public Utilities Act*,  
4 RSNL 1990, Chapter P-47 (the “*Act*”), as  
5 amended, and regulations thereunder; and  
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7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for an  
9 Order approving a revised Demand Revenue  
10 Credit per kW for use in the Labrador Network  
11 Additions Policy pursuant to section 70(1)  
12 of the *Act*.  
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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  
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19 **WHEREAS** section 70(1) of the *Act* provides that a public utility shall not charge, demand,  
20 collect, or receive compensation for a service performed by it until the Board has approved a  
21 schedule of rates, tolls, and charges for the services provided by the public utility; and  
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23 **WHEREAS** in Order No. P.U. 7(2021) the Board approved the Network Additions Policy to be  
24 effective as of April 1, 2021 which included a Demand Revenue Credit per kW of \$250; and  
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26 **WHEREAS** on May 18, 2022 Hydro filed an application for approval of a revised Demand  
27 Revenue Credit per kW (the “Application”); and  
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29 **WHEREAS** the Application states that the Demand Revenue Credit is intended to reflect that  
30 future revenues resulting from providing new or additional service will partially offset the  
31 transmission cost incurred to serve an applicant’s Peak Demand requirements, thereby limiting the  
32 requirement for future rate increases for existing customers resulting from capital investments; and  
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34 **WHEREAS** the Application states that the Demand Revenue Credit per kW is based on the present  
35 value of the forecast recovery of transmission demand-related costs through the electricity charges  
36 to be paid by an applicant and that the current Demand Revenue Credit per kW of \$250 was

1 calculated based on the Labrador Industrial Transmission Demand Charge of \$1.38 per kW per  
2 month, as proposed in Hydro's 2017 General Rate Application filing; and

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4 **WHEREAS** in Order No. P.U. 16(2019) the Board approved the 2017 General Rate Application  
5 Settlement Agreement, including maintenance of the Labrador Industrial Transmission Demand  
6 Rate at \$1.08 per kW per month; and

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8 **WHEREAS** the Application states that, as the Labrador Industrial Transmission Demand Rate  
9 approved for the 2019 test year is different from that utilized to calculate the approved Demand  
10 Revenue Credit per kW, a revised Demand Revenue Credit per kW of \$210, based on the  
11 Transmission Demand Rate of \$1.08 per kW per month, is proposed; 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.; a group of Island Industrial customers: Corner  
15 Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc. (formerly known  
16 as NARL Refining Limited Partnership), and Vale Newfoundland and Labrador Limited; the  
17 communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City (the "Labrador  
18 Interconnected Group"); and the Iron Ore Company of Canada; and

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20 **WHEREAS** on May 25, 2022 and May 26, 2022 the Labrador Interconnected Group and the  
21 Board issued requests for information which were answered by Hydro on June 3, 2022; and

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23 **WHEREAS** on June 8, 2022 Newfoundland Power submitted that it had no comment on the  
24 Application; and


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26 **WHEREAS** on June 13, 2022 Hydro submitted that it had no reply given that there were no  
27 comments from the parties to the Application; and

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29 **WHEREAS** the Board is satisfied that the revised Demand Revenue Credit per kW of \$210 is  
30 justified based on a Transmission Demand Rate of \$1.08 per kW per month and should be  
31 approved.

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34 **IT IS THEREFORE ORDERED THAT:**


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36 1. The revised Demand Revenue Credit per kW of \$210 is approved.  
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38 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 6<sup>th</sup> day of July, 2022.




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Dwanda Newman, LL.B.  
Vice-Chair




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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Christopher Pike, LL.B., FCIP  
Commissioner



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Cheryl Blundon  
Board Secretary