



Newfoundland and Labrador Hydro
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December 6, 2024

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Application for Exemption to Regulation 17 – Temporary Restriction for Load Additions in Labrador East and West – Carol Lake Metal Works

Please find attached Newfoundland and Labrador Hydro's ("Hydro") application for approval of exemptions to Regulation 17, which temporarily limits load additions in Labrador East and West pursuant to Section 71 of the *Public Utilities Act*.

Hydro has received a request for service from Carol Lake Metal Works in Labrador City. The total estimated peak load associated with the request is 607 kW; further detail is provided in the enclosed application and the application for service attached to the application as Schedule 1. Hydro believes that when considering the balance between the importance of ensuring the system is not overwhelmed to the point that delivery of reliable service is impacted with the necessity for reasonable community infrastructure and business growth in Labrador, it is reasonable to approve the customer's request for connection. Therefore, Hydro is requesting that an exemption be made to serve Carol Lake Metal Works.

As with any application for service for the Labrador Interconnected System, a customer's application is reviewed to determine if a customer contribution is required, as determined through the Network Additions Policy. As per Section 5.1 of the Network Additions Policy, when a customer makes an application for a demand request of less than 1,500 kW, they are responsible for paying an Upstream Capacity Charge, calculated as the Upstream Capacity Cost less the Basic Capacity Investment Credit. The calculation for the Carol Lake Metal Works request indicates an Upstream Capacity Charge of \$189,255. As the Network Additions Policy requires approval from the Board for only those Upstream Capacity Charges that exceed \$200,000, Hydro has not applied for approval for the Carol Lake Metal Works contribution.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/rr

Encl.

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Katie R. Philpott
Board General

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Newfoundland Power Inc.

Dominic J. Foley
Regulatory Email

Iron Ore Company of Canada

Gregory A.C. Moores, Stewart McKelvey

Exemption to Regulation 17

Carol Lake Metal Works

December 6, 2024

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“*EPCA*”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“*Act*”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“*Hydro*”) for an exemption, pursuant to Section 71 of the *Act*, to Regulation 17 which limits new load additions in Labrador East and West.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro, a corporation continued and existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.
2. Hydro's 2018 Capital Budget Application,¹ identified forecast capacity shortfalls as well as reliability issues on the Labrador East system. To address these issues, Hydro proposed the Muskrat Falls to Happy Valley Interconnection Project (“*Project*”). In Board Order No. P.U. 43(2017), issued on December 22, 2017, the Board deferred the decision on the *Project* pending additional information.
3. On May 31, 2018, while the *Project* remained under consideration by the Board, Hydro filed an application for approval of a proposed new regulation permitting a restriction for load additions in Labrador East pursuant to Section 71 of the *Act*. This was intended to address the forecast capacity shortfalls and reliability issues for the Labrador East System pending completion of the *Project*.
4. In Board Order No. P.U. 32(2018), the Board accepted that a moratorium should be implemented for the 2018–2019 winter season and ordered Hydro to file for approval a revised regulation, effective until May 30, 2019, reflecting the findings of the Board. Hydro filed a

¹ “2018 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. October 3, 2017 (originally filed July 27, 2017).

revised regulation on September 21, 2018, which was approved in Board Order No. P.U. 36(2018) (“Regulation 17”).

5. On April 23, 2019, Hydro filed an application for an extension of the effective date of Regulation 17 pending further Order from the Board. That application was approved in Board Order No. P.U. 18(2019).
6. Board Order No. P.U. 34(2019), issued on October 29, 2019, approved Hydro’s request to increase the load restriction threshold from 100 kW to 200 kW and to extend the application of Regulation 17 to Labrador West.
7. On March 17, 2021, in Board Order No. P.U. 7(2021), the Board approved the *Network Additions Policy – Labrador Interconnected System* (“*Network Additions Policy*”) effective April 1, 2021. The *Network Additions Policy* is intended to limit rate increases that can result from investment in new transmission assets to serve new load requests and to achieve a reasonable balance in the sharing of the benefits and the costs of new transmission investments between new and existing customers.
8. In response to the Board’s query on March 23, 2021, regarding the status of Regulation 17 post approval of the *Network Additions Policy*, Hydro recommended that the existing restrictions remain in place while the system expansion needs for reliable service to customers in Labrador West and Labrador East were determined. This was due to the continued system capacity restrictions that exist in the region.²
9. On April 19, 2024, Hydro applied to the Board for approval of an exemption to Regulation 17 for a number of customers in Labrador East. While the Board’s initial approval of Regulation 17 allowed for Hydro to apply for an exemption to the regulation where there were special circumstances where it may be appropriate to approve service connections and upgrades, Hydro’s April 2024 application noted that with the increased transmission capacity in Labrador East, it would be reasonable to allow some additional growth to serve the customers. Hydro did not request that Regulation 17 be lifted entirely as it is important for Hydro to monitor and manage the load growth in the region and to continue to ensure the system is not overwhelmed

² “Restriction on Load Additions on the Labrador Interconnected System – Update,” Newfoundland and Labrador Hydro, April 7, 2021.

to the point that delivery of reliable service is impacted. The Board approved Hydro's request for exemption, while maintaining Regulation 17, in Board Order No. P.U. 14(2024).

B. Current Customer Request

10. Hydro has received a request for service from Carol Lake Metal Works for an upgrade and relocation of its welding and fabrication facility in Labrador City. The total estimated peak demand related to the application is 607 kW. Carol Lake Metal Works' application for service is attached to this application as Schedule 1.
11. Carol Lake Metal Works is an established facility in Labrador City that has requested the upgrade and relocation due to business growth. While the Labrador West system has not had an increase in its transmission capacity, as was the case in Labrador East, Hydro must similarly balance the importance of ensuring the system is not overwhelmed to the point that delivery of reliable service is impacted with the necessity for reasonable community infrastructure and business growth in Labrador. Therefore, Hydro is requesting that an exemption be made to serve the customer detailed in this application.
12. Hydro has reviewed the impact of the customer connection on the Labrador West system and it does not pose concerns with respect to the continued delivery of reliable service in the region.

C. Newfoundland and Labrador Hydro's Request

13. This application requests approval of an exemption to Regulation 17, allowing Hydro to provide service to the above noted customer.

D. Communications

14. Communications with respect to this application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador on this 6th day of December, 2024.

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro
500 Columbus Drive, P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685-4973

Schedule 1

Request for Service

Carol Lake Metal Works





REQUEST FOR SERVICE INFORMATION FORM (Applicant's Requirement >200 kW but less than 1,500 kW)

CUSTOMER INFORMATION

Customer Name	Carol Lake Metal Works
Contact Name	Stephen Hawco / Kris Lee
Current Address	220 Humphrey Rd
Requested Service Location	220 Humphrey Rd
Phone Number	709-282-3232
Email	shawco@clmw.ca / klee@clmw.ca

GENERAL SERVICE ONLY

1.	Nature of business: Welding / Fabrication		
	Upgrade to existing service: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
2.	Location of Premises:	Yes	No
	Public Road	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Within Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Municipal or Other Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Permanent Service (>3 years)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.	Single Phase Service	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Three Phase Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.	Service Voltage: 600V 3ph (upgrade and relocation)		
5.	Service Size in Amps: 800 - 80%	Please note if main breaker is rated at 80% or 100%.	
6.	Please provide breakdown of connected load (attach separate sheet if more room required).		
		<u>1 Phase</u>	<u>3 Phase</u>
	Lighting (kW)	1	1
	Heating (kW)	40	40
	Miscellaneous (kW)	_____	300
	Motors (kW)	_____	225
	Total (kW)	41	566
7.	Estimated Peak Demand: 607		
8.	Estimated annual load factor:		
9.	Anticipated date power is required: Oct 1st 2024		
10.	Date full load is anticipated: Mar 1st, 2025		
11.	If applicable, the expected service life: 30+ years		
12.	A copy of the customer's electrical drawings. To follow		
13.	A copy of the customer's site plan. To follow		
14.	Is the proposed service available to be interrupted during the coldest winter days?		
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Customer/Consultant/Electrician signature verifies that the information is accurate and understands information is subject to a 2 year review:

Prepared by: Kris Lee Date: 9/17/24

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act, RSNL 1990*, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for an exemption, pursuant to Section 71 of the *Act*, to Regulation 17 which limits new load additions in Labrador East and West.

AFFIDAVIT

I, Dana Pope, of St. John’s in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Vice President, Regulatory and Stakeholder Relations for Newfoundland and Labrador Hydro, the applicant named in the attached application.
- 2) I have read and understand the foregoing application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this application are true.

SWORN at St. John’s in the province of Newfoundland and Labrador this 6th day of December, 2024 before me:



Commissioner for Oaths, Newfoundland and Labrador



Dana Pope, CPA (CA), MBA

KIMBERLEY DUGGAN
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, 2027.