

April 13, 2020

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

Attention: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Capacity Assistance Agreement with Vale Newfoundland and Labrador Limited

In 2018 the Board of Commissioners of Public Utilities ("Board") approved Newfoundland and Labrador Hydro's ("Hydro") 6 MW Load Curtailment Agreement with Vale Newfoundland and Labrador Limited ("Vale") in Board Order No. P.U. 44(2018). In that Order, Hydro was directed to file a report with the Board no later than April 15 of the year following each winter period while the agreement is in place. The report is to include the dates, times, duration, and system conditions under which capacity assistance was requested, provided, and capacity and variable payments made.

The 6 MW Load Curtailment Agreement referenced herein expired on March 31, 2019 and was not renewed.

At the time of Hydro's 2018 application for approval of the load curtailment agreement, Hydro also advised of an agreement with Vale for the provision of up to 8 MW of capacity assistance from Vale's diesel generating facilities.¹ That agreement was renewed for the 2019–2020 winter season with the same terms. While Hydro did not make any requests for assistance under this agreement, Hydro paid the fixed fee of \$212,800 for 7,600 kW of available capacity.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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

cc: **Newfoundland Power**
Gerard M. Hayes

¹ This agreement was provided to the Board on November 18, 2018 for information purposes. As the agreement is for supply of capacity and energy to Hydro and does not affect the Industrial Service Agreements approved by the Board, Hydro did not seek a Board Order with respect to this agreement.

Consumer Advocate

Dennis M. Browne, Q.C, Browne Fitzgerald Morgan & Avis

Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer

Praxair Canada Inc.

Sheryl E. Nisenbaum

ecc: **Board of Commissioners of Public Utilities**

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