

**P.U. 11 (2002-2003)**

**IN THE MATTER OF the  
PUBLIC UTILITIES ACT,**  
R.S.N. 1990, c. P-47, as amended  
("the *Act*")

AND

**IN THE MATTER OF** an *Ex Parte*  
Application by Newfoundland and  
Labrador Hydro ("Hydro") for the  
approval of certain rules and regulations  
pertaining to the supply of electrical  
power and energy to two of its industrial  
customers, Corner Brook Pulp and Paper  
Limited and Abitibi-Consolidated Company  
of Canada (Grand Falls) pursuant to  
Section 71 of the *Act*.

**WHEREAS** by Order No. P.U. 7 (2002-2003) the Board of Commissioners of Public Utilities (the  
"Board") ordered that the Rules and Regulations pertaining to the supply of electrical power and energy by  
Hydro to a class of Island Industrial Customers are approved; and

**WHEREAS** Hydro has made application to the Board to amend the definition of "Generating Capacity" in  
the rules and regulations pertaining to its service of Corner Brook Pulp and Paper Limited ("CBPP") so that  
Hydro may provide to that Island Industrial Customer Non-Firm Energy in circumstances of outages of that  
customer's oil-fired boiler required for the production of process steam for its paper mill operations; and

**WHEREAS** Hydro has also made application for the interim approval, pending a final Order of the Board approving rates, of the Industrial Non-Firm Power and Energy rate set out in its application, as modified to reflect a fuel efficiency factor as established by Order No. P. U. 7 (2002-2003), to be charged to two of its Island Industrial Customers, CBPP and Abitibi-Consolidated Company of Canada (Grand Falls) (“ACCC-GF”) in Generating Outage circumstances; and

**WHEREAS** Schedule A of the Application provided a copy of a letter setting out the agreement of CBPP with the proposal outlined in Hydro’s Application; and

**WHEREAS** Schedule B of the Application provided a copy of a letter setting out the agreement of ACCC-GF with the proposal relating to an interim rate for Generation Outage Power and Energy outlined in Hydro’s Application; and

**WHEREAS** the Board has considered the information before it.

**IT IS THEREFORE ORDERED THAT:**

1. Pursuant to Section 71 of the *Act* the definition of “Generating Capacity” set out in paragraph 1.01 (i) of the rules and regulations pertaining to the provision of electrical service by Hydro to CBPP shall be revised so as to read as follows:
  - (i) **“Generating Capacity” includes**
    - i. 99,100 kW, being the amount of Power the Customer is able to generate at 60 Hz from its hydraulic generating resources, or to generate at 50 Hz from its hydraulic generating resources and have converted to 60 Hz, and
    - ii. 10,000 kW, being the amount of Power the Customer requires from Hydro for use in its electric boiler to produce process steam, a load that the Customer is normally able to displace by using its oil-fired steam boiler,

*but does not include capacity from generating facilities dedicated to the generation of power and energy for sale or transfer to Hydro or to a third party.*
2. Pursuant to Section 75 of the *Act*:
  - (a) Until the Board makes a final Order approving such other rate, the rate associated with the provision of Generation Outage Power and Energy by Hydro to CBPP and to ACCC-GF shall be the Industrial Non-Firm rate as proposed by Hydro in its 2001 General Rate Application, modified to reflect a fuel efficiency factor of 615 kWh/bbl as established by the Board in Order No. P.U. 7 (2002-2003), calculated as set out in the attached Appendix “A”.
  - (b) The amounts paid for the supply of Generation Outage Power and Energy prior to the issuance of the Board’s final Order fixing the Industrial Non-Firm rate will be adjusted to reflect any reduction in the rate and an appropriate credit will be issued by Hydro to CBPP and ACCC-GF.

DATED at St. John's, Newfoundland and Labrador, this 11<sup>th</sup> day of July 2002.

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Darlene Whalen, P.Eng.,  
Vice-Chairperson.

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G. Fred Saunders,  
Commissioner.

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Barbara Thistle,  
Assistant Board Secretary.

## **APPENDIX “A”**

NEWFOUNDLAND AND LABRADOR HYDRO  
**INDUSTRIAL – NON-FIRM**

**Availability:**

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

**Rate:**

**Non-Firm Demand Charge:**

The rate for Non-Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$1.50 per month per kilowatt of billing demand.

**Non-Firm Energy Charge (¢ per kWh):**

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C)\} \times 100$$

A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used

B = the conversion factor for the source used (kWh/bbl)

C = the administrative and variable operating and maintenance charge (10%)

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 615 kWh/bbl
2. Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
3. Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl.

**Adjustment for Losses:**

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied.

**General:**

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

**This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**