

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

AN ORDER OF THE BOARD

NO. P.U. 44(2017)

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*.
11
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** on December 21, 2017 Hydro filed an application for an Order of the Board to
18 continue the current Island Industrial customer Rate Stabilization Plan (“RSP”) Fuel Rider and
19 Current Plan rates past January 1, 2018 and to direct Hydro to file an application to update the
20 Island Industrial Customer RSP Fuel Rider and RSP Current Plan Adjustment to be effective no
21 later than July 1, 2018 (the “Application”); and
22

23 **WHEREAS** the RSP rules approved in Order No. P.U. 31(2017) provide that the Island Industrial
24 customer rates be adjusted on January 1 each year to update the RSP Fuel Rider and the RSP
25 Current Plan Adjustment; and
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27 **WHEREAS** the Application stated that the January 1, 2018 adjustment to update the Island
28 Industrial customer RSP Fuel Rider would result in a material rate decrease for these customers;
29 and
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31 **WHEREAS** the Application further stated that, as a result of the expiry of the rate mitigation
32 approved in Order No. P.U. 24(2017), a material increase in Island Industrial customer rates is
33 projected for July 1, 2018; and
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35 **WHEREAS** the Application also explained that Hydro proposed in its ongoing general rate
36 application an interim rate increase of 6.3% for Island Industrial customers, effective January 1,
37 2018 which Hydro subsequently proposed to delay to permit the general rate application to proceed
38 in an efficient manner; and

1 **WHEREAS** the Application stated that the implementation of three customer rate changes in a six
2 month period is contrary to customer rate stability and is not conducive to regulatory efficiency;
3 and
4

5 **WHEREAS** the Application proposed that the January 1, 2018 adjustment of the Island Industrial
6 customer RSP rates as required by Sections C.1 and D.1 of the RSP rules be delayed and that the
7 RSP adjustments be implemented in concert with Hydro's interim rate proposals in its ongoing
8 general rate application; and
9

10 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
11 Dennis Browne, Q.C.; a group of Island Industrial customers: Corner Brook Pulp and Paper
12 Limited, NARL Refining Limited Partnership and Vale Newfoundland and Labrador Limited (the
13 "Industrial Customer Group"); Praxair Canada Inc. ("Praxair"), and Teck Resources Limited
14 ("Teck"); and
15

16 **WHEREAS** the Board requested that Hydro's Island Industrial customers confirm their position
17 on the Application; and
18

19 **WHEREAS** Teck advised on December 21, 2017 that it had no comments on the Application; and
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21 **WHEREAS** the Industrial Customer Group advised on December 27, 2017 that it did not oppose
22 the Application; and
23

24 **WHEREAS** the Board did not receive comments from Praxair; and
25

26 **WHEREAS** the Board is satisfied that suspending the January 1, 2018 adjustment to the Island
27 Industrial customer RSP rates and continuing current Island Industrial customer rates on an interim
28 basis is reasonable in the circumstances and, if necessary, the Board will subsequently direct Hydro
29 with respect to the filing of a further application in relation to the Island Industrial customer RSP
30 rates.
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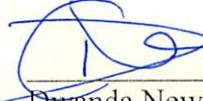
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33 **IT IS THEREFORE ORDERED THAT:**
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- 35 1. The January 1, 2018 adjustment to the Island Industrial customer Rate Stabilization Plan rates
36 is suspended until a further Order of the Board.
37
- 38 2. The current Island Industrial customer rates are continued on an interim basis, effective
39 January 1, 2018, and Hydro shall within 30 days of this Order file a revised Schedule of Rates,
40 Tolls and Charges setting out that the rates for the Island Industrial customers are interim.
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- 42 3. Hydro shall pay all expenses of the Board arising from this Application.

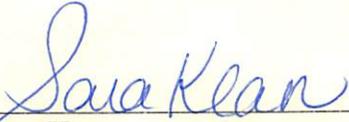
DATED at St. John's, Newfoundland and Labrador, this 28th day of December, 2017.



Darlene Whalen, P. Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



Sara Kean
Assistant Board Secretary