

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

**AN ORDER OF THE BOARD**

**NO. P.U. 8(2021)**

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*, RSNL  
4 1990, Chapter P-47 (the “*Act*”), as amended, and  
5 regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by Newfoundland  
8 and Labrador Hydro for approval of an amendment to the  
9 Reliability and Resource Adequacy Deferral Account  
10 Definition pursuant to sections 58 and 80 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** in Order No. P.U. 29(2019) the Board approved the Reliability and Resource  
18 Adequacy Deferral Account which permits Hydro to defer its external regulatory costs incurred in  
19 association with the Reliability and Resource Adequacy Study Review proceeding, including  
20 Board costs and approved intervenor cost claims; and  
21

22 **WHEREAS** on February 24, 2021 Hydro filed an application requesting approval of an  
23 amendment to the Reliability and Resource Adequacy Deferral Account Definition to permit  
24 Hydro to defer its costs for professional services and contractors related to the “Assessment to  
25 Determine the Potential Longer Term Viability of the Holyrood Thermal Generating Station” (the  
26 “Application”); and  
27

28 **WHEREAS** on November 30, 2020 Hydro advised the Board and parties of its intention to move  
29 forward in 2021 with the full condition assessment to determine the longer term viability of the  
30 Holyrood Thermal Generating Station as a backup facility (the “Assessment”) and on February 4,  
31 2021 Hydro advised that the findings of the Assessment should be available by the end of 2021 or  
32 early 2022; and  
33

34 **WHEREAS** the Application stated it is prudent to undertake the Assessment at this time to more  
35 fully understand the capital and operational requirements necessary to sustain the Holyrood  
36 Thermal Generating Station on a longer term basis if deemed necessary and suitable; and  
37

38 **WHEREAS** the Application stated the Assessment will also be required to inform the  
39 considerations and decisions which may be made through the Reliability and Resource Adequacy

1 Study Review proceeding related to the future resource requirements and options for the continued  
2 reliability of the Newfoundland and Labrador Interconnected system; and

3  
4 **WHEREAS** the Application stated the anticipated external costs of the Assessment are  
5 approximately \$3.3 million and Hydro does not propose to defer its internal costs; and

6  
7 **WHEREAS** the Application stated the costs related to the Assessment are not included in the 2019  
8 Test Year costs and, due to the materiality of these costs and the associated impact on financial  
9 earnings, Hydro is proposing to defer these costs through an amendment to the Reliability and  
10 Resource Adequacy Deferral Account Definition; and

11  
12 **WHEREAS** the Application stated the anticipated external costs of the Assessment are necessary  
13 and prudent and will benefit customers and the proposed amendment would provide Hydro the  
14 opportunity to earn a just and reasonable return with final disposition of the costs to be determined  
15 by the Board at a later date; and

16  
17 **WHEREAS** the Application was copied to Newfoundland Power Inc.; the Consumer Advocate,  
18 Mr. Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited; NARL Refining Limited  
19 Partnership; Vale Newfoundland & Labrador Limited; the communities of Sheshatshiu, Happy  
20 Valley-Goose Bay, Wabush, and Labrador City; and

21  
22 **WHEREAS** the Board did not receive any comments on the Application; and

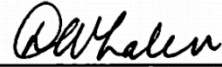
23  
24 **WHEREAS** on March 16, 2021 Hydro filed a submission requesting that the Application be  
25 approved as submitted; and

26  
27 **WHEREAS** the Board is satisfied that the proposed amendment to the Reliability and Resource  
28 Adequacy Deferral Account Definition to include Hydro's external costs for professional services  
29 and contractors related to the "Assessment to Determine the Potential Longer Term Viability of  
30 the Holyrood Thermal Generating Station" should be approved.

31  
32  
33 **IT IS THEREFORE ORDERED THAT:**

- 34  
35 1. The proposed amendment to the Reliability and Resource Adequacy Deferral Account  
36 Definition for certain costs related to the "Assessment to Determine the Potential Longer Term  
37 Viability of the Holyrood Thermal Generating Station", as set out in Schedule A, is approved.  
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39 2. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 24<sup>th</sup> day of March, 2021.



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Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer



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Dwanda Newman, LL.B.  
Vice-Chair



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Cheryl Blundon  
Board Secretary

**Newfoundland and Labrador Hydro  
Reliability and Resource Adequacy Deferral Account Definition**

The account shall be charged with external regulatory costs associated with the Reliability and Resource Adequacy proceeding which include:

- Board costs, including consultant and expert costs; and
- Approved Intervenor cost claims.

The account shall also be charged with Hydro's external costs for professional services and contractors related to the "Assessment to Determine the Potential Long Term Viability of the Holyrood Thermal Generating Station."

**Disposition of any Balance in this Account**

Hydro shall apply for recovery of costs charged to this account through its next General Rate Application.