



NEWFOUNDLAND AND LABRADOR HYDRO

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BY HAND

December 14, 2006

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road
St. John's, Newfoundland & Labrador
A1A 5B2

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

Dear Ms. Blundon:

**Re: Application by Newfoundland and Labrador Hydro for Rate Changes to
Rural Island Interconnected Customers and Isolated Rural Customers**

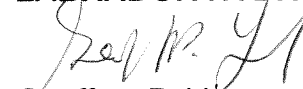
Please find enclosed the original and ten copies of:

- An Application in which Hydro seeks approval of revisions to the Rates charged to Rural Island Interconnected and Isolated Non-Government Customers;
- Schedule A – Rate Schedules; and
- Schedule B – Calculation of Isolated Rates.

This Application assumes the Board approves the rates filed by Newfoundland Power on December 8, 2006.

Yours truly,

**NEWFOUNDLAND AND
LABRADOR HYDRO**


Geoffrey P. Young
Legal Counsel

Encl.

cc: Peter Alteen - Newfoundland Power Inc.
Joseph Hutchings, Q.C. - Poole Althouse
Paul Coxworthy - Stewart McKelvey Stirling Scales
Tom Johnson – O'Dea Earle Law Offices

IN THE MATTER OF the Public
Utilities Act, R.S.N. 1990, Chapter P-47
(the “Act”), and

IN THE MATTER OF an Application (the “Application”) by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION of Newfoundland and Labrador Hydro (the “Applicant”)
states that:

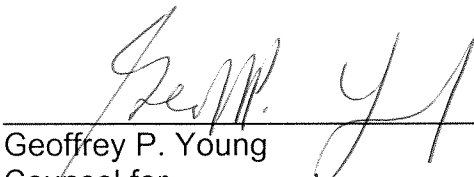
1. Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing under the *Hydro Corporation Act*, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. On August 3, 2006 Hydro filed its General Rate Application with the Board (the “original filing”) seeking adjustments to its rates, and the approval of changes to certain of its Rules and Regulations of service.
3. On December 6, 2006 Hydro filed a revised Application seeking adjustments to its rates, and the approval of changes to certain of its Rules and Regulations of service.
4. By Order No. P.U. 20 (2004) (p. 4, item 2) the Board approved Hydro’s revisions to the Rules and Regulations - Schedule C which includes Policies for Automatic Rate Changes (section 16). Therefore, as Newfoundland Power changes its rates, Hydro will automatically adjust its

rates for the Island Interconnected System, the L'Anse au Loup System, and the Isolated systems as approved under Section 16.

5. On December 8, 2006, Newfoundland Power filed an Application for rate changes to incorporate the combined impact of the 2007 operation of its Automatic Adjustment Formula and the proposals contained in Hydro's revised Application.
6. The Government has directed that changes in rates charged to Non-Government Rural Isolated Domestic and General Service customers shall be equal to the change approved for the equivalent rate classes of Newfoundland Power customers on or after January 1, 2007.
7. Newfoundland and Labrador Hydro proposes that the new rates for the sale of power and energy to Island Interconnected customers (Rate Class 1.1, 2.1, 2.2, 2.3, 2.4 and 4.1), Isolated Rural Domestic customers (Rate Class 1.2D), Isolated General Service customers (Rate Classes 2.1D and 2.2D) and Isolated Rural street and area lighting (Rate Class 4.1D) be implemented as of January 1, 2007 as outlined in the attached Schedules A and B. The proposed rates are based on the rates filed by Newfoundland Power on December 8, 2006.

DATED AT St. John's in the Province of Newfoundland and Labrador this 14th day of December 2006.

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Counsel for
Newfoundland and Labrador Hydro
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St. John's, Newfoundland and Labrador
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IN THE MATTER OF the Public
Utilities Act, R.S.N. 1990, Chapter P-47
(the “Act”), and

IN THE MATTER OF an Application (the “Application”) by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

TO: The Board of Commissioners of Public Utilities

AFFIDAVIT


I, James R. Haynes, Professional Engineer, of St. John's, in the Province of Newfoundland and Labrador, make oath and swear as follows:

1. THAT I am employed by Newfoundland and Labrador Hydro, the Applicant herein, in the capacity of Vice-President, Regulated Operations, and as such I have knowledge of the matters and things to which I have herein deposed, and make this affidavit in support of the Application.
2. THAT I have read the contents of the Application and they are correct and true to the best of my knowledge, information and belief.

SWORN TO BEFORE ME in the
City of St. John's, in the Province
of Newfoundland and Labrador, this
14th day of December 2006.

Genl. W. L. Barrister - Newfoundland
and Labrador

))))))))


James R. Haynes

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1

DOMESTIC

Availability:

For Service to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$15.59 per month

Energy Charge:

All kilowatt-hours @ 8.935¢ per kWh

Minimum Monthly Charge \$15.59

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1

GENERAL SERVICE 0 - 10 kW

Availability¹:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$17.88 per month

Energy Charge:

All kilowatt-hours @ 11.462¢ per kWh

Minimum Monthly Charge: Single Phase..... \$17.88

Three Phase..... \$35.76

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

¹ This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30kW or greater.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability¹:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$20.60 per month

Demand Charge:

\$8.63 per kW of billing demand in the months of December, January, February and March and \$7.88 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kW of billing demand..... @ 9.108¢ per kWh

All excess kilowatt-hours..... @ 6.102¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge, but not less than Minimum Monthly Charge.

Minimum Monthly Charge:

Single Phase \$20.60 per month

Three Phase: \$35.76 per month

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

¹ This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30kW or greater.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability¹:

For Service where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$92.73 per month

Demand Charge:

\$7.46 per kVA of billing demand in the months of December, January, February and March and \$6.71 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kVA of billing demand,

up to a maximum of 30,000 kilowatt-hours..... @ 8.722¢ per kWh

All excess kilowatt-hours..... @ 5.974¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

¹ This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30kW or greater.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4

GENERAL SERVICE 1000 kVA AND OVER

Availability¹:

For Service where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:\$185.46 per month

Billing Demand Charge:

\$7.05 per kVA of billing demand in the months of December, January, February and March and \$6.30 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 100,000 kilowatt-hours @ 7.334¢ per kWh

All excess kilowatt-hours @ 5.866¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

¹ This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30kW or greater.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service in the Rural Island Interconnected area and the L'Anse au Loup system, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate: (Including Municipal Tax and Rate Stabilization Adjustment)

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$18.22
HIGH PRESSURE SODIUM ¹	
100W (8,600 lumens)	14.65
150W (14,400 lumens)	18.22
250W (23,200 lumens)	23.92
400W (45,000 lumens)	31.28

¹ For all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... \$6.44

General:

Details regarding conditions of service are provided in the Rules and Regulations.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 1.2D

DOMESTIC DIESEL

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for service to a domestic unit or to buildings or facilities which are on the same Serviced premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately. All churches, schools, and community halls in the diesel service areas are also subject to this rate.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$15.59 per month

Energy Charge:

First Block (See Table Below) kilowatt-hours per month @ 8.935¢ per kWh

Second Block (See Table Below) kilowatt-hours per month @ 10.332¢ per kWh

All kWh over 1000 kilowatt-hours per month @ 14.007¢ per kWh

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<i>First Block</i>	1000	1000	900	900	800	800	700	700	700	800	900	1000
<i>Second Block</i>	0	0	100	100	200	200	300	300	300	200	100	0

Minimum Monthly Charge \$15.59

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

Rate Stabilization Clause:

This Rate is subject to the Rate Stabilization Adjustment arising from the operation of the Rate Stabilization Clause which forms part of the Schedule of Rates. The adjustment is applicable only to the first block kWh per month.

Municipal Tax Clause:

This Rate is subject to the Municipal Tax Adjustment arising from the operation of the Municipal Tax Clause which forms part of the Schedule or Rates.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.1D

GENERAL SERVICE DIESEL 0-10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: \$19.57 per month

Energy Charge:

All kilowatt-hours @ 16.681¢ per kWh

Minimum Monthly Charge: Single Phase..... \$19.57

Three Phase..... \$35.88

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00 or more than \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2D

GENERAL SERVICE DIESEL OVER 10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

Basic Customer Charge: \$27.40 per month

Demand Charge:

The maximum demand registered on the meter in the current month.....@ \$12.16 per kW

Energy Charge:

All kilowatt-hours @ 15.459¢ per kWh

Minimum Monthly Charge: Single Phase..... \$27.40

Three Phase..... \$59.75

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00 or more than \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 4.1D
STREET AND AREA LIGHTING SERVICE DIESEL

Availability:

For Street and Area Lighting Service (excluding Government Departments) throughout the Island and Labrador diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate: (Including Municipal Tax and Rate Stabilization Adjustment)

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$18.22
HIGH PRESSURE SODIUM ¹	
100W (8,600 lumens)	14.65
150W (14,400 lumens)	18.22
250W (23,200 lumens)	23.92
400W (45,000 lumens)	31.28

¹ For all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... \$6.44

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

Newfoundland and Labrador Hydro
Calculation of Isolated System Non-Lifeline and General Service Rates

	Existing Rate	NP Rate Increase (%)	Proposed Rate
Rate 1.2 D Domestic Diesel			
Second Block (cents/kWh)	10.324	0.08%	10.332
Tail Block (cents/kWh)	13.996	0.08%	14.007
Rate 2.1 General Service 0-10 kW			
Basic Service Charge (\$/month)	19.40	0.90%	19.57
Energy Charge (cents/kWh)	16.532	0.90%	16.681
Minimum Monthly Charge Single Phase	19.40	0.90%	19.57
Minimum Monthly Charge Three Phase	35.56	0.90%	35.88
Rate 2.1 General Service Over 10 kW			
Basic Service Charge (\$/month)	27.46	-0.23%	27.40
Demand Charge (\$/kW)	12.19	-0.23%	12.16
Energy Charge (cents/kWh)	15.495	-0.23%	15.459
Minimum Monthly Charge Single Phase	27.46	-0.23%	27.40
Minimum Monthly Charge Three Phase	59.89	-0.23%	59.75