BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

IN THE MATTER OF THE

APPLICATION FOR APPROVAL OF FINAL RATES AND RULES AND REGULATIONS FOR ITS RURAL CUSTOMERS

FILED BY

NEWFOUNDLAND AND LABRADOR HYDRO

ORDER No. P. U. 14(2007)

BEFORE: Mr. Robert Noseworthy

Chair and Chief Executive Officer

Ms. Darlene Whalen, P.Eng.

Vice-Chair

IN THE MATTER OF the Electrical Power Control Act, RSNL 1994, Chapter E-5.1 (the "EPCA") and the Public Utilities Act, RSNL 1990, Chapter P-47 (the "Act") as amended, and their subordinate regulations; AND IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro")	
 4 Control Act, RSNL 1994, Chapter E-5.1 (the 5 "EPCA") and the Public Utilities Act, RSNL 1990, 6 Chapter P-47 (the "Act") as amended, and their 7 subordinate regulations; 8 9 AND 10 11 IN THE MATTER OF an application 	
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for final approval of rates to be charged for the	
supply of power and energy to Rural Customers,	
and changes in the Rules and Regulations applicable	
to the supply of electricity to Rural Customers	
pursuant to Sections 70 and 71 of the <i>Act</i> .	
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WHEREAS Hydro is a corporation continued and existing under the <i>Hydro Corporation Act</i> , is	s a
public utility within the meaning of the Act and is also subject to the provisions of the EPCA, 199	14;
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WHEREAS on August 3, 2006 Hydro filed its General Rate Application with the Board seeki	ng
adjustments to its rates, and the approval of changes to certain of its Rules and Regulations	of
26 service; and	
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WHEREAS after the filing of the General Rate Application the Government of Newfoundland a	
Labrador issued two directions to the Board pursuant to section 5.1 of the EPCA, 1994 (t	
"Government Directives"), one which impacted the rates proposed to be charged to the Industr	
Customers [OC2006-436] and one which impacted the rates proposed to be charged to No.	n-
Government Rural Isolated customers [OC2006-512]; and	
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WHEREAS after the filing of the General Rate Application Hydro and the Intervenors reach	
agreement with respect to a number of issues addressed in the General Rate Application and fil these agreements with the Board (the "Settlement Agreements"); and	zu
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WHEREAS on December 6, 2006 Hydro filed a Revised General Rate Application (the "Revised General	ed
Application") seeking, among other things, the approval of final or interim rates to be charged to	
customers for consumption on or after January 1, 2007, incorporating the most recent finance	
information, the Government Directives and the Settlement Agreements; and	

WHEREAS the Board approved, on an interim basis, rates to be charged to all of Hydro's customers to be effective January 1, 2007, specifically ordering as follows:

i. in Order No. P. U. 41(2006) the Board approved, on an interim basis to be effective for consumption on and after January 1, 2007, Hydro's proposed rates for Newfoundland Power ("NP") and for Government Departments in Hydro's diesel service areas, as well as Non-Firm Rates for Industrial Customers and certain aspects of Firm Rates, including the Base Rate, for Industrial Customers;

ii. in Order No. P. U. 43(2006) the Board approved, on an interim basis to be effective for consumption on and after January 1, 2007, Hydro's proposed rates for Rural Island Interconnected and Isolated Non-Government customers;

iii. in Order No. P. U. 45(2006) the Board approved, on an interim basis to be effective for consumption on and after January 1, 2007, rates to be charged by Hydro for the sale of power and energy to its Labrador Interconnected customers; and

iv. in Order No. P. U. 46(2006) the Board approved, on an interim basis, that Hydro set up a reserve account to maintain the December 31, 2006 Rate Stabilization Plan ("RSP") Hydraulic Variation balance, net of the normal 25% December 31, 2006 allocation, with normal RSP financing charges applied, until the balance in the account is disposed of later by final Order of the Board; and

WHEREAS in Order No. P. U. 42(2006) the Board approved interim rates to be charged by NP, to its customers effective on all energy consumed on and after January 1, 2007, reflecting the impact on NP's costs of Hydro's approved interim wholesale power rate as well as impact of the 2007 operation of its Automatic Adjustment Formula, and the impact of a one-time adjustment to the historical balance to be recovered through Hydro's RSP on NP's Rate Stabilization Account; and

WHEREAS in Order No. P. U. 3(2007) the Board approved, on an interim basis to be effective for consumption on or after January 1, 2007, the RSP Adjustment and Energy Rates for Hydro's Industrial Customers; and

WHEREAS in Order No. P. U. 8(2007) issued on April 12, 2007 the Board approved, on a final basis effective for consumption on and after January 1, 2007, Hydro's rates to be charged to NP and to the Industrial Customers, and also directed Hydro to apply for approval of final rates and Rules and Regulations for its Rural customers and RSP rules, reflecting the following directions of the Board:

i. removal from the RSP rules reference to specific amounts in the Rural Rate Alteration calculation for the years beyond 2007;

ii. removal from the RSP rules the one-time adjustment which distributes the December 31, 2006 Hydraulic Production Variation balance;

iii. removal from the RSP rules reference to the Automatic Adjustment Mechanism (AAM);

 iv. a preferential rate for the Burgeo School and Library should be continued, as proposed by Hydro;

- v. the Rules and Regulations should be amended to reflect the proposal to make periodic adjustments to the rates of Hydro's Rural Isolated Domestic customers (excluding Government Departments) for consumption greater than the lifeline block;
 - vi. the Rules and Regulations for Hydro's Rural Isolated Domestic and General Service customers (excluding Government Departments) should be amended in accordance with the Government Directive [OC2006-512]; and
 - vii. the balance of the reserve account established in Order No. P. U. 46(2006) should be distributed in accordance with the provisions of a special adjustment to the RSP Hydraulic Production Variation balance; and

WHEREAS NP filed an application on April 17, 2007 seeking an Order providing final approval of the rates approved in Order No. P. U. 42(2006) as NP's schedules of rates, tolls and charges for all electrical usage on and after January 1, 2007; and

WHEREAS in Order No. P. U. 9(2007) dated April 20, 2007 the Board approved as final the rates, tolls and charges to be charged by NP to its customers, effective January 1, 2007; and

WHEREAS Hydro filed an application on May 3, 2007, in accordance with the direction of the Board in Order No. P. U. 8(2007), seeking an Order that:

- i. pursuant to sections 70 and 71 of the *Act*, the RSP rules, as set out in Schedule A of the application, become effective December 31, 2006;
- ii. pursuant to section 71 of the *Act*, the Rules and Regulations applicable to providing service to Rural customers as set out in Schedule B of the application, become effective January 1, 2007; and
- iii. the interim rates, tolls and charges for Hydro's Rural customers be approved on a final basis, effective January 1, 2007, as outlined in Schedule C of the application; and

WHEREAS the Board has reviewed Hydro's application and finds that the proposed rates are consistent with the directions of the Board in Order No. P. U. 8(2007), the interim rates approved by the Board, and the final rates approved by the Board for NP in Order No. P. U. 9(2007), and should be approved on a final basis for consumption on and after January 1, 2007; and

WHEREAS the Board is also satisfied that the proposed Rules and Regulations and the RSP rules incorporate the Board's directions in Order No. P. U. 8(2007) and should be approved as filed; and

WHEREAS there is an inadvertent error on Page 6 of 8, Schedule A, Order No. P. U. 8(2007).

IT IS THEREFORE ORDERED THAT:

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- 1. Pursuant to Sections 70 and 71 of the *Act*, the Board approves the Rate Stabilization Plan rules, as set out in Schedule A to this Order, effective December 31, 2006.
- Pursuant to Section 71 of the *Act*, the Board approves the Rules and Regulations applicable to providing service to Rural Customers as set out in Schedule B to this Order, effective January 1, 2007.
 - 3. The rates, tolls and charges for Hydro's Rural customers are approved on a final basis, to be effective for consumption on and after January 1, 2007, as set out in Schedule C to this Order.
- 11 4. Page 6 of 8, Schedule A, Order No. P. U. 8(2007) shall be amended and replaced as set out in Schedule D to this Order.
 - 5. Hydro shall pay all expenses of the Board arising from this Application.

Dated at St. John's, Newfoundland and Labrador, this 17th day of May 2007.

Robert Noseworthy
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon Board Secretary

SCHEDULE A ORDER NO. P. U. 14(2007)

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro) is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- customer load (Utility and Island Industrial); and
- rural rates.

The formulae used to calculate the Plan's activity are outlined below. Positive values denote amounts owing from customers to Hydro whereas negative values denote amounts owing from Hydro to customers.

Section A: Hydraulic Production Variation

1. Activity:

Actual monthly production is compared with the Test Year Cost of Service Study in accordance with the following formula:

$$\{(A-B) \div C\} \times D$$

Where:

A = Test Year Cost of Service Net Hydraulic Production (kWh)

B = Actual Net Hydraulic Production (kWh)

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh/bbl.)

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can /bbl.)

2. Financing:

Each month, financing charges, using Hydro's approved Test Year weighted average cost of capital, will be calculated on the balance.

3. Hydraulic Variation Customer Assignment:

Customer assignment of hydraulic variations will be performed annually as follows:

$$(E \times 25\%) + F$$

Where:

E = Hydraulic Variation Account Balance as of December 31, excluding financing charges

F = Financing charges accumulated to December 31

The total amount of the Hydraulic Customer Assignment shall be removed from the Hydraulic Variation Account.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

4. Customer Allocation:

The annual customer assignment will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the hydraulic customer assignment which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Newfoundland Power and Island Industrial customer allocations shall be included with the Newfoundland Power and Island Industrial RSP balances respectively as of December 31 each year. The Labrador Interconnected Hydraulic customer allocation shall be written off to Hydro's net income (loss).

Section B: Fuel Cost Variation, Load Variation and Rural Rate Alteration

1. Activity

1.1 Fuel Cost Variations

This is based on the consumption of No. 6 Fuel at the Holyrood Generating Station:

$$(G-D) \times H$$

Where:

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can /bbl.)

G = Monthly Actual Average No. 6 Fuel Cost (\$Can /bbl.)

H = Monthly Actual Quantity of No. 6 Fuel consumed less No. 6 fuel consumed for non-firm sales (bbl.)

1.2 Load Variations

Firm: Firm load variation is comprised of fuel and revenue components. The load variation is determined by calculating the difference between actual monthly sales and the Test Year Cost of service Study sales, and the resulting variance in No. 6 fuel costs and sales revenues. It is calculated separately for Newfoundland Power firm sales and Industrial firm sales, in accordance with the following formula:

$$(I-J) \times \{(D \div C) - K\}$$

Where:

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can /bbl.)

I = Actual Sales, by customer class (kWh)

J = Test Year Cost of Service Sales, by customer class (kWh)

K = Firm energy rate, by customer class

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

Secondary: Secondary load variation is based on the revenue variation for Utility Firmed-Up Secondary energy sales compared with the Test Year Cost of Service Study, in accordance with the following formula:

 $(J-I) \times L$

Where:

I = Actual Sales (kWh)

J = Test Year Cost of Service Sales (kWh)

L = Secondary Energy Firming Up Charge

1.3 Rural Rate Alteration

(a) Newfoundland Power Rate Change Impacts:

This component is calculated for Hydro's rural customers whose rates are directly or indirectly impacted by Newfoundland Power's rate changes, with the following formula:

$$(M - N) \times O$$

Where:

M = Cost of Service rate ¹

N = Existing rate

O = Actual Units (kWh, bills, billing demand)

(b) Rural Labrador Interconnected Automatic Rate Adjustments:

This component reflects the impact of the automatic rate adjustments for Hydro's rural customers on the Labrador Interconnected system, which arise from the phase-in of the application of the credit from secondary energy sales to CFB Goose Bay to the rural deficit.

Monthly adjustments will be subject to revision when a new Test Year Cost of Service is approved by the Public Utilities Board for Hydro. The amount of the automatic rate adjustment is calculated as follows:

• Hydro's schedule of rates for its rural customers not affected by the December 6th, 2006 Government directive.

- For customers affected by the December 6th, 2006 Government directive, the Cost of Service rate equals the phased-in 2007 Forecast Cost of Service Rates for diesel rate classes 1.2D, 2.1D and 2.2D.
- No Rural Rate Alternation will arise from the phase-in of 2007 Forecast Cost of Service rates for the customers affected by the December 6th, 2006 Government directive.

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NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN (Continued)

$$P = (Q - R) \div 12$$

Where:

P = the monthly amount of the automatic rate adjustment

Q = the CFB Revenue Credit applied to the rural deficit in Hydro's Final 2007 Test Year Cost of Service

R = the CFB Revenue Credit applied to the rural deficit from 2007 to 2011, included in existing rates and outlined in the table below:

	Q	R	Q - R	P
2007	\$3,380,796	\$2,270,081	\$1,110,715	\$92,560

2. Monthly Customer Allocation: Load and Fuel Activity

Each month, the load variation will be assigned to the customer class for which the load variation occurred.

Each month, the year-to-date total for fuel price variation will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The year-to-date portion of the fuel price variation which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The current month's activity for Newfoundland Power, Island Industrials and regulated Labrador Interconnected customers will be calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month. The current month's activity allocated to regulated Labrador Interconnected customers will be removed from the Plan and written off to Hydro's net income (loss).

3. Monthly Customer Allocation: Rural Rate Alteration Activity

Each month, the rural rate alteration will be allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study. The portion allocated to regulated Labrador Interconnected will be removed from the Plan and written off to Hydro's net income (loss).

4. Plan Balances

Separate plan balances for Newfoundland Power and for the Island Industrial customer class will be maintained. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

Section C: Fuel Price Projection

A fuel price projection will be calculated to anticipate forecast fuel price changes and to determine fuel riders for the rate adjustments. For industrial customers, this will occur in October each year, for inclusion with the RSP adjustment effective January 1. For Newfoundland Power, this will occur in April each year, for inclusion with the RSP adjustment effective July 1.

1. Industrial Fuel Price Projection:

In October each year, a fuel price projection for the following January to December shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(S-T) \times U\} - V] \times W$$

Where:

S = the September month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following January to December

T = Hydro's average Test Year contract discount (US \$/bbl)

 $U = \qquad \text{the monthly average of the $Cdn / $US Bank of Canada Noon Exchange Rate for the month of September} \\$

V = average Test Year Cost of Service purchase price for No. 6 Fuel (\$Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

The industrial customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of September and is the ratio of Industrial Firm invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of an estimate of the fuel rider based on 12 months-to-date kWh sales to the end of September will be reported to industrial customers, Newfoundland Power, and the Public Utilities Board, by the 10th working day of October.

2. Newfoundland Power Fuel Price Projection:

In April each year, a fuel price projection for the following July to June shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

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NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN (Continued)

$$[\{(X - T) \times Y\} - V] \times W$$

Where:

T = Hydro's average Test Year contract discount (US \$/bbl)

V = average Test Year Cost of Service purchase price for No. 6 Fuel (\$Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

X = the average of the March month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following July to December, and the most recent long-term PIRA Energy Group average annual forecast for No. 6 fuel prices at New York Harbour for the following January to June.

Y = the monthly average of the \$Cdn / \$US Bank of Canada Noon Exchange Rate for the month of March.

The Newfoundland Power customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of March and is the ratio of Newfoundland Power Firm and Firmed-Up Secondary invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of the resulting fuel rider applied to the adjustment rate will be reported to Newfoundland Power, industrial customers, and the Public Utilities Board, by the 10th working day of April.

Section D: Adjustment

1. Newfoundland Power

As of March 31 each year, Newfoundland Power's adjustment rate for the 12-month period commencing the following July 1 is determined as the rate per kWh which is projected to collect:

Newfoundland Power March 31 Balance

less projected recovery / repayment of the balance for the following three months (if any), estimated using the energy sales (kWh) for April, May and June from the previous year

plus forecast financing charges to the end of the 12-month recovery period (i.e., June in the following calendar year),

divided by the 12-months-to-date firm plus firmed-up secondary kWh sales to the end of March.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

A fuel rider shall be added to the above adjustment rate, based on the Newfoundland Power Fuel Price Projection amount (as per Section C.2 above) divided by 12-months-to-date kWh sales to the end of March.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values.

Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

2. Island Industrial Customers

As of December 31 each year, the adjustment rate for industrial customers for the 12-month period commencing January 1 is determined as the rate per kWh which is projected to collect:

Industrial December 31 Balance

plus forecast financing charges to the end of the following calendar year,

divided by 12-months-to-date kWh sales to the end of December.

A fuel rider shall be added to the above adjustment rate, based on the Industrial Fuel Price Projection (as per Section C.1 above) amount divided by 12-months-to-date kWh sales to the end of December.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values. Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

Section E: Historical Plan Balances:

1. August 2002 Balance:

Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at August 2002 will be recovered over a 5-year collection period, with adjustment rates established each December 31, commencing December 31, 2002. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year annual weighted average cost of capital.

Newfoundland Power

The adjustment rate for each year of the five-year adjustment period will be determined as follows:

$$A = (B - C + D) \div E \div F$$

where

A = adjustment rate (\$ per kWh) for the 12-month period commencing the following July 1.

B = Balance December 31

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN (Continued)

- C = projected recovery to the following June 30 (if any), estimated using the most recent energy sales (kWh) for the period January to June.
- D = projected financing charges to the following June 30
- E = number of years remaining in the adjustment period
- F = energy sales (kWh) (firm and firmed-up secondary) to Newfoundland Power for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

Island Industrial Customers, excluding Aur Resources Inc. [Exempted pursuant to Order No. P. U. 1(2007)]

The adjustment rate for each year of the five-year adjustment period will be determined as follows:

$$G = H \div I \div J$$

where

- G = adjustment rate (\$ per kWh) for the 12-month period commencing the following January 1.
- H = Balance December 31
- I = number of years remaining in the adjustment period
- J = firm energy sales (kWh) to Industrial Customers, excluding sales to Aur Resources Inc., for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

2. RSP Balance, December 31, 2003:

Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at December 31, 2003 will be consolidated with the outstanding August 2002 customer balances as of December 31, 2003, and will be included with the Newfoundland Power and Island Industrial customer balances respectively for rate-setting purposes as of December 31, 2003.

SCHEDULE B ORDER NO. P. U. 14(2007)

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS

APPLICABILITY:

These general Rules and Regulations apply to all Hydro Rural Customers.

1. <u>INTERPRETATION</u>:

- (a) In these Rates and Rules the following definitions shall apply:
 - (i) "Act" means The Public Utilities Act, R.S.N. 1990, c.P-47 as amended from time to time
 - (ii) "Applicant" means any person who applies for Service.
 - (iii) "Board" means the Board of Commissioners of Public Utilities of Newfoundland.
 - (iv) "*Hydro*" means Newfoundland and Labrador Hydro.
 - (v) "*Hydro rural customers*" means regulated customers served by Hydro other than industrial customers and Newfoundland Power.
 - (vi) "Customer" means any person who accepts or agrees to accept Service.
 - (vii) "*Disconnected*" or "*Disconnect*" in reference to a Service means the physical interruption of the supply of electricity thereto.
 - (viii) "*Discontinued*" or "*Discontinue*" in reference to a Service means to terminate the Customer's on-going responsibility with respect to the Service.
 - (ix) "*Domestic Unit*" means a house, apartment or other similar residential unit which is normally occupied by one family, or by a family and no more than four other persons who are not members of that family, or which is normally occupied by no more than six unrelated persons.
 - (x) "Service" means any service(s) provided by Hydro pursuant to these Regulations.
 - (xi) "Serviced premises" means the premises at which Service is delivered to the Customer.
 - (xii) "Government Departments" means electric service accounts of Provincial or Federal government departments, agencies, boards, commissions, and crown corporations but excludes hospitals, fish plants, churches, schools, community halls, municipal buildings and like facilities.

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NEWFOUNDLAND AND LABRADOR HYDRO **RULES AND REGULATIONS (Continued)**

- (b) Unless the context requires otherwise these Rates and Rules shall be interpreted such that:
 - (i) words imparting male persons include female persons and corporations.
 - (ii) words imparting the singular include the plural and vice versa.

2. **CLASSES OF SERVICE:**

(a) Hydro shall provide the following classes of Service:

ISLAND INTERCONNECTED AREA

- 1.1 Domestic
- 1.3 Burgeo School and Library
- General Service, 0-10 kW 2.1
- 2.2 General Service, 10-100 kW (110 kVA)
- 2.3 General Service, 110 kVA (100 kW) - 1000 kVA
- General Service, 1000 kVA and Over 2.4
- Street and Area Lighting Service 4.1

ISLAND AND LABRADOR DIESEL AREA

1.2D	Domestic Diesel - Non-Government
2.1D	General Service Diesel - Non-Government, 0-10 kW
2.2D	General Service Diesel - Non-Government, 10 kW and Over
4.1D	Street and Area Lighting Service Diesel - Non-Government
1.2G	Domestic Diesel - Government Departments
2.1G	General Service Diesel - Government Departments, 0-10kW

- General Service Diesel Government Departments, 10kW and Over 2.2G
- 4.1G Street and Area Lighting Service Diesel - Government Departments

HAPPY VALLEY-GOOSE BAY INTERCONNECTED AREA

1.1H	Domestic
2.1H	General Service, 0-10 kW
2.2H	General Service, 10-100 kW (110 kVA)
2.3H	General Service, 110 kVA (100 kW) - 1000 kVA
2.4H	General Service, 1000 kVA and Over
4.1H	Street and Area Lighting Service
5.1H	Secondary Energy

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

LABRADOR CITY / WABUSH INTERCONNECTED AREA

1.1W	Domestic
2.1W	General Service, 0-10 kW
2.2W	General Service, 10-100 kW (110 kVA)
2.3W	General Service, 110 kVA (100 kW) - 1000 kVA
2.4W	General Service, 1000 kVA and Over
4.1W	Street and Area Lighting Service
4.11W	Street and Area Lighting Service Labrador City - Installed as of Sept. 1, 2002
4.12W	Street and Area Lighting Service Labrador City – Customer Owned

- (b) The terms and conditions relating to each class of Service shall be those approved by the Board from time to time.
- (c) Service, other than Street and Area Lighting Service, shall be metered except where the energy consumption is relatively low and constant and in the opinion of Hydro can be readily determined without metering.
- (d) The Customer shall use the Service on the Serviced Premises only. The Customer shall not resell the Service in whole or in part except that the Customer may include the cost of Service in charges for the lease of space or as part of the cost of other services provided by the Customer.

3. APPLICATION FOR SERVICE:

- (a) An Applicant, when required by Hydro, shall complete a written Electrical Service Contract.
- (b) An application for Service, when accepted by Hydro, constitutes a binding contract between the Applicant and Hydro which cannot be assigned.
- (c) The person who signs an application for Service shall be personally liable for Service provided pursuant thereto, unless that person has authority to act for another Person denoted as the Applicant on the application for Service.
- (d) Hydro may in its discretion refuse to provide Service to an Applicant where:
 - (i) the Applicant fails or refuses to complete an application for Service.
 - (ii) the Applicant provides false or misleading information on the application for Service.
 - (iii) the Applicant or the Owner or an Occupant of the Serviced Premises has a bill for any Service which is not paid in full 30 days or more after issuance.

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

- (iv) the Applicant fails to provide the security or guarantee required under Regulation 4.
- (v) the Applicant is not the owner or an occupant of the Serviced Premises.
- (vi) the Service requested is already supplied to the Serviced Premises for another Customer who does not consent to having his Service Discontinued.
- (vii) the Applicant does not pay a charge described in Regulation 9 (b),(c) or (d).
- (viii) the Applicant otherwise fails to comply with these Regulations.
- (e) A Customer who has not completed an application for Service shall do so within 5 days of a request having been made by Hydro in writing.

4. <u>SECURITY FOR PAYMENT</u>:

- (a) An Applicant or a Customer shall give such reasonable security for the payment of charges as may be required by Hydro. When the Customer has established two consecutive years of good credit history, the security deposit will be refunded with simple interest calculated at a Rate equivalent to the Rate paid from time to time by the chartered banks on over-the-counter withdrawal savings accounts.
- (b) Hydro may in its discretion require special guarantees from an Applicant or Customer whose location or load characteristics would require abnormal investment in facilities or who requires Service of a special nature.

5. SERVICE STANDARDS - METERED SERVICES:

(a) Service shall normally be provided at one of the following nominal standard secondary voltages depending upon the requirements of the load to be served and the availability of a three phase supply:

Single phase, 3-Wire - 120/240 volts
Three phase, 4-Wire - 120/208 volts wye
Three phase, 4-Wire - 347/600 volts wye

Service at any other supply voltage may be provided in special cases at the discretion of Hydro.

(b) Service shall be supplied at single-phase 120/240 volts where the maximum demand is estimated by Hydro to be less than 75 kW. Where the maximum demand is estimated to be 75kW or greater, service shall normally be supplied at one of the standard three-phase voltages.

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NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

Hydro may, if requested by the Customer, provide a three-phase supply where the maximum demand is estimated to be less than 75 kW, if a contribution in aid of construction is paid to Hydro to cover the cost of transformers, equipment and any line extensions or upgrades required to provide the three-phase service.

To determine the contribution required, the cost to provide three-phase service will be reduced by the value of any single-phase plant supported by the projected revenue from the Customer, as calculated in accordance with Hydro's distribution line contribution in aid of construction policy applicable to General Service Customers. Where the necessary equipment and transformer capacity already exist at the location in question, no contribution in aid of construction will be required to provide the three-phase service.

- (c) Hydro shall determine the point at which power and energy is delivered from Hydro's facilities to the Customer's electrical system.
- (d) Service entrances shall be in a location satisfactory to Hydro and, except as otherwise approved by Hydro, shall be wired for outdoor meters.
- (e) Where Hydro has reason to believe that Service to a Customer has or will have load characteristics which may cause undue interference with Service to another Customer, the Customer shall upon written notice by Hydro provide and install, at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference.
- (f) (i) Any Customer having a connected load or a normal operating demand of more than 25 kilowatts, in areas where space limitations or aesthetic reasons make it impractical to use a pole mounted transformer bank, shall, on request of Hydro, install and maintain a padmount transformer and all associated underground wiring, or provide at his expense a suitable vault or enclosure on the Serviced Premises for exclusive use by Hydro for its equipment necessary to supply and maintain service to the Customer.
 - (ii) Where either the service requirements of a Customer or changes to a Customer's electrical system necessitate the installation of additional equipment to Hydro's system which cannot be accommodated in Hydro's existing vaults or structures, the Customer shall, on request of Hydro, provide at the Customer's expense such additional space in its vault or enclosure as Hydro shall require to accommodate the additional equipment.
- (g) The Customer shall not use a Service for across the line starting of motors rated over 10 horsepower except where specifically approved by Hydro.
- (h) For Services having rates based on kilowatt demand, the average power factor shall not be less than 90%. Hydro, in its discretion, may make continuous tests of power factor or may test the Customer's power factor from time to time. If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at his expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

- (i) Hydro shall provide transformation for Service up to 500 kVA where the required service voltage is one of Hydro's standard service voltages and installation is in accordance with Hydro's standards. In other circumstances, Hydro, on such conditions as it deems acceptable, may provide the transformation.
- (j) All Customer wiring and installations shall be in compliance with all statutory and regulatory requirements including the Canadian Electrical Code, Part 1 and, where applicable, in accordance with Hydro's specifications. However, the provision of Service shall not in any way be construed as acceptance by Hydro of the Customer's electrical system.
- (k) The Customer shall provide such protective devices as may be necessary to protect his property and equipment from any disturbance beyond the reasonable control of Hydro.

6. SERVICE STANDARDS - STREET AND AREA LIGHTING SERVICE:

- (a) For Street And Area Lighting Service Hydro shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4200 hours per year. Hydro shall, subject to Regulation 9 (i) make all repairs necessary to maintain service.
- (b) Hydro shall supply the energy required and shall provide and maintain the illuminating fixtures and lamps together with necessary overhead conductors, control equipment and other devices.
- (c) Hydro shall not be required to provide Street and Area Lighting Service where, in the opinion of Hydro, the normal Service is unsuitable for the task or where the nature of the activities carried out in the area would likely result in damage to the poles, wiring or fixtures.
- (d) Hydro shall provide a range of fixture sizes utilizing an efficient lighting source in accordance with current standards in the industry and shall consult with the Customer regarding the most appropriate use of such fixtures for any specific installation.
- (e) The location of fixtures for Street and Area Lighting Service shall be determined by Hydro in consultation with the Customer. After poles and fixtures have been installed they shall not be relocated except at the expense of the Customer.
- (f) Hydro does not guarantee that fixtures used for Street And Area Lighting Service will illuminate any specific area.
- (g) Where the installation of fixtures is required in a location where there are no existing distribution poles the Customer shall pay any contribution in aid of construction as may be determined under Hydro's policy for the pole line extension required to supply electric service to the location of the fixtures.
- (h) Hydro shall not be required to provide additional Street And Area Lighting Service to a Customer where on at least two occasions in the preceding twelve months, his bill for such Service has been in arrears for more than 30 days.

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NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

7. METERING:

- (a) Service to each building shall be metered separately except as provided in Regulation 7(b).
- (b) Service to buildings and facilities on the same Serviced Premises which are occupied by the same Customer may, subject to Regulation 7(c), be metered together provided the Customer supplies and maintains all distribution facilities beyond the point of supply.
- (c) Except as provided in Regulation 7(d) Service to each new Domestic Unit shall be metered separately.
- (d) Where an existing Domestic Unit is subdivided into two or more new Domestic Units, Service to the new Domestic Units may, in the discretion of Hydro, be metered together.
- (e) Where four or more Domestic Units are metered together, the Basic Customer Charge shall be multiplied by the number of Domestic Units.
- (f) Where the floor space in the non-domestic portion exceeds 46 sq. meters, the Service shall not qualify for the Domestic Service Rate.
- (g) Hydro shall not be required to provide more than one meter per Service, however, submetering by the Customer for any purpose not inconsistent with these Regulations is permitted.
- (h) Subject to Regulations 7(c) and 7(g) Service to different units of a building may, at the request of the Customer, be combined on one meter or be metered separately.
- (i) Maximum demand for billing purposes shall be determined by demand meter or, at the option of Hydro, may be based on:
 - (i) 80% of the connected load, where the demand does not exceed 100 kW, or
 - (ii) the smallest size transformer(s) required to serve the load if it is intermittent in nature such as X-Ray, welding machines or motors that operate for periods of less than thirty minutes, or
 - (iii) the kilowatt-hour consumption divided by an appropriate number of hours use where the demand is less than 10 kW.
- (j) When charges are based on maximum demand the metering shall normally be in kVA if the applicable Rate is in kVA and in kW if the applicable Rate is in kW.
 - If the demand is recorded on a kVA meter but the applicable Rate is based on a kW demand, the recorded demand may be decreased by ten percent (10%) and the result shall be treated as the kW demand for billing purposes.

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

If the demand is recorded on a kW meter but the applicable Rate is based on a kVA demand, the recorded demand may be increased by ten percent (10%) and the result shall be treated as the kVA demand for billing purposes.

- (k) The Customer shall ensure that meters and related equipment are visible and readily accessible to Hydro's personnel and are suitably protected. Unless otherwise approved by Hydro, meters shall be located outdoors and shall not subsequently be enclosed.
- (l) If a meter is located indoors and Hydro employees are unable to obtain access to read the meter at the normal reading time for three consecutive months, the Customer shall upon written notice given by Hydro, provide for the installation of an outdoor meter at his expense.
- (m) In the event that a dispute arises regarding the accuracy of a meter, and Hydro is unable to resolve the matter with the Customer then either the Customer or Hydro shall have the right to request an accuracy test in accordance with the requirements of the Electricity Inspection Act of Canada. Should the test indicate that the meter accuracy is not within the allowable limits, the Customer's bill shall be adjusted in accordance with the provisions of the said Act and all costs involved in the removal and testing of the meter shall be borne by Hydro. Should the test confirm the accuracy of the meter, the costs involved shall be borne by the party requesting the test. Hydro may require a Customer to deposit with Hydro in advance of testing, an amount sufficient to cover the costs involved.
- (n) Metering shall normally be at secondary distribution voltage level but may at the option of Hydro be at the primary distribution level. When metering is at the primary distribution voltage (4-25KV) the monthly demand and energy consumption shall be reduced by 1.5%.

8. METER READING:

- (a) Where reasonably possible Hydro shall read meters monthly provided that Hydro may, at its discretion, read meters at some other interval and estimate the reading for the intervening month(s). Areas which consist primarily of cottages will have their meters read four times per year and Hydro will estimate the readings for all other months.
- (b) If Hydro is unable to obtain a meter reading due to circumstances beyond its reasonable control, Hydro may estimate the reading.
- (c) If due to any cause a meter has not correctly recorded energy consumption or demand, then the probable consumption or demand shall be estimated in accordance with the best data available and used to determine the relevant charge.

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

9. <u>CHARGES</u>:

- (a) Every Customer shall pay Hydro the charges approved by the Board from time to time for the Service(s) provided to the Customer or provided to the Serviced Premises at the Customer's request.
- (b) Where a Customer requires Service for a period of less than three (3) years, the Customer shall pay Hydro in advance a "Temporary Connection Fee". The Temporary Connection Fee is calculated as the estimated labour cost of installing and removing lines and equipment necessary for the Service plus the estimated cost of non-salvageable material.
- (c) Where special facilities are required or requested by the Customer or any facility is relocated at the request of the Customer, the Customer shall pay Hydro in advance the estimated additional cost of providing the special facilities and the estimated cost of the relocation less any betterment.
- (d) The Customer shall pay Hydro in advance or on such other terms approved by the Board from time to time any contribution in aid of construction as may be determined by the methods prescribed by the Board.
- (e) The Customer shall pay Hydro the amount set forth in the Rate for all poles required for Street And Area Lighting Service which are in addition to those installed by Hydro for the distribution of electricity. This charge shall not apply to Hydro poles and communications poles used jointly for Street And Area Lighting Service and communications attachments.
- (f) Where a service is Disconnected pursuant to Regulation 12(a), b(ii), (c), or (d) and the Customer subsequently requests that the service be reconnected, the Customer shall pay a reconnection fee. Where a Service is Disconnected pursuant to Regulation 12(g) and an Applicant subsequently requests that the service be reconnected, the Applicant shall pay a reconnection fee. Applicants that pay the reconnection fee will not be required to pay the application fee. The reconnection fee shall be \$20.00 where the reconnection is done during Hydro's normal office hours or \$40.00 if it is done at other times.
- (g) Where a Service, other than a Street and Area Lighting Service, is Discontinued pursuant to Regulation 11(a), or Disconnected pursuant to Regulations 12(a), b(ii), (c) or (d) and the Customer subsequently requests that the Service be restored within 12 months, the Customer shall pay, in advance, the minimum monthly charges that would have been incurred over the period if the Service had not been Discontinued or Disconnected.
- (h) (i) Where a Street and Area Lighting Service is Discontinued pursuant to Regulation 11(a), (b), or (c), or 9(i), or when a Customer requests removal of existing fixtures, and/or poles, the Customer shall pay at the time of removal an amount equal to the unrecovered capital cost, plus the cost of removal less any salvage value of only the poles to be Discontinued or removed.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (ii) If a Customer requests the subsequent replacement of the fixture, either immediately or at any time within 12 months by another, whether or not of the same type or size, the Customer shall pay, in advance, an amount equal to the unrecovered capital cost of the fixture removed, plus the cost of removal, less any non-luminaire salvage, as well as the monthly charges that would have been incurred over the period if the Service had not been Discontinued.
- (iii) Where a Street and Area Lighting Service is Discontinued, any pole dedicated solely to the Street and Area Lighting Service may, at the Customer's request, remain in place for up to 24 months from the date of removal of the fixture, during which time the Customer shall continue to pay the prescribed monthly charge for the pole.
- (i) Where street and area lighting fixtures or lamps are wantonly, wilfilly, or negligently damaged or destroyed (other than through the negligence of Hydro), Hydro, at its option and after notifying the Customer by letter, shall remove the fixtures and the monthly charges for these fixtures will cease thirty days after the date of the letter. However, if the customer contacts Hydro within thirty days of the date of the letter and agrees to pay the repair costs in advance and all future repair costs, Hydro will replace the fixture and rental charges will recommence. If any future repair costs are not paid within three months of the date invoiced, Hydro, after further notifying the Customer by letter, may remove the fixtures. In all such cases the fixtures shall not be replaced unless the Customer pays to Hydro in advance all amounts owing prior to removal plus the cost of removing the old fixtures and installing the new fixtures.
- (j) Where a Service other than Street and Area Lighting Service is not provided to the Customer for the full monthly billing period or where Street and Area Lighting Service is not provided for more than seven (7) days during the monthly billing period, the relevant charge to the Customer for the Service for that period may be prorated except where the failure to provide the Service is due to the Customer or to circumstances beyond the reasonable control of Hydro.
- (k) Where a Customer's Service is at primary distribution or transmission voltage and the Customer provides his own transformation and all other facilities beyond the designated point of supply the monthly demand charge shall, subject to the minimum monthly charge, be reduced as follows:

For the Island Interconnected, L'Anse au Loup and Isolated service areas:

(i)	for supply at 4 KV to 25 KV	\$0.40 per kVA
(;;)	for small at 22 VVI to 120 VVI	¢0 00 1-37 A

(ii) for supply at 33 KV to 138 KV\$0.90 per kVA

For the Happy Valley-Goose Bay, Labrador City and Wabush service areas:

(iii) for supply at 4 KV to 25 KV	
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(iv) for supply at 33 KV to 138 KV......\$0.60 per kVA

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

- (l) Where a Customer's monthly demand has been permanently reduced because of the installation of peak load controls, power factor correction, or by rendering sufficient equipment inoperable, by any means satisfactory to Hydro, the monthly demands recorded prior to the effective date of such reduction may be adjusted when determining the Customer's demand for billing purposes thereafter. Should the Customer's demand increase above the adjusted demands in the following 12 months, the Customer will be billed for the charges that would have been incurred over the period if the demand had not been adjusted.
- (m) Charges may be based on estimated readings or costs where such estimates are authorized by these Regulations.
- (n) An application fee of \$8.00 will be charged for all requests for Customer name changes and connection of new Serviced Premises. Landlords will be exempted from the application fee for name changes at Serviced Premises for which a landlord agreement pursuant to Regulation 11(f) is in effect.

10. <u>BILLING</u>:

- (a) Hydro shall bill the Customer monthly for charges for Service. However, when a Service is disconnected or a bill is revised, Hydro may issue an additional bill.
- (b) The charges for Street And Area Lighting Service may be included as a separate item on a bill for any other Service.
- (c) Bills are due and payable when issued. Payment shall be made at such place(s) as Hydro may designate from time to time. Where a bill is not paid in full by the date that a subsequent bill is issued and the amount outstanding is \$50.00 or more, Hydro will charge interest at a rate equal to the prime rate charged by chartered banks on the last day of the previous month plus five percent.
- (d) Where a Customer's cheque is not honoured for insufficient funds a charge of \$10.00 may be applied to the Customer's bill.
- (e) Where a Customer is billed on the basis of an estimated charge, an adjustment shall be made in a subsequent bill should such estimate prove to be inaccurate.
- (f) Where between normal meter reading dates, one Customer assumes from another Customer the responsibility for a metered Service or a Service is Discontinued, Hydro may base the billing on an estimate of the reading as of the date of change.
- (g) Where a Customer has been under billed due to an error on the part of Hydro or due to an act or omission by a third party, the Customer may, at the discretion of Hydro, be relieved of the responsibility for all or any part of the amount of the under billing.

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NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

11. DISCONTINUANCE OF SERVICE:

- (a) A Service may be Discontinued by the Customer at any time upon prior notice to Hydro provided that Hydro may require 10 days prior notice in writing.
- (b) A Service may be Discontinued by Hydro upon 10 days prior notice in writing to the Customer if the Customer:
 - (i) provided false or misleading information on the application for the Service
 - (ii) fails to provide security or guarantee for the Service required under Regulation 4.
- (c) A Service may be Discontinued by Hydro without notice if the Service was Disconnected pursuant to Rule 12 and has remained Disconnected for over 30 consecutive days.
- (d) When Hydro accepts an application for Service, any prior contract for the same Service shall be Discontinued except where an agreement for that Service is signed by a landlord under Regulation 11(f).
- (e) Where a Service has been Discontinued, the Service may, at the option of Hydro and subject to Rule 12(a), remain connected.
- (f) A landlord may sign an agreement with Hydro to accept charges for Service provided to a rental premise for all periods when Hydro does not have a contract for Service with a tenant for that premise.

12. DISCONNECTION OF SERVICE:

- (a) Hydro shall Disconnect a Service within 10 days of receipt of a written request from the Customer.
- (b) Hydro may Disconnect a Service without notice to the Customer:
 - (i) where the Service has been Discontinued
 - (ii) on account of or to prevent fraud or abuse
 - (iii) where in the opinion of Hydro the Customer's electrical system is defective and represents a danger to life or property.
 - (iv) where the Customer's electrical system has been modified without compliance with the Electrical Regulations.
 - (iv) where the Customer has a building or structure under Hydro's wires which is within the minimum clearances recommended by the Canadian Standards Association.
 - (vi) when ordered to do so by any authority having the legal right to issue such order.

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NEWFOUNDLAND AND LABRADOR HYDRO RULES AND REGULATIONS (Continued)

- (c) Hydro may, in accordance with its Collection Policies, Disconnect a Service upon prior notice to the Customer if the Customer has a bill for any Service which is not paid in full 30 days or more after issuance.
- (d) Hydro may Disconnect a Service upon 10 days prior notice to the Customer if the Customer is in violation of any provision of these Regulations.
- (e) Hydro may refuse to reconnect a Service if the Customer is in violation of any provisions of these Rules or if the Customer has a bill for any Service which is unpaid.
- (f) Hydro may disconnect a service to make repairs or alterations. Where reasonable and practical, Hydro shall give prior notice to the Customer.
- (g) Hydro may disconnect the Service to a rental premises where the landlord has an agreement with Hydro authorizing Hydro to disconnect the Service for periods when Hydro does not have a contract for Service with a tenant of that premises.

13. **PROPERTY RIGHTS**:

- (a) The Customer shall provide Hydro with space and cleared rights-of-way on private property for the line(s) and facilities required to serve the Customer.
- (b) Hydro shall have the right to install, remove or replace such of its property as it deems necessary.
- (c) The Customer shall provide Hydro with access to the Serviced Premises at all reasonable hours for purposes of reading a meter or installing, replacing, removing or testing its equipment, and measuring or checking the connected load.
- (d) All equipment and facilities provided by Hydro shall remain the property of Hydro unless otherwise agreed in writing.
- (e) The Customer shall not unreasonably interfere with Hydro's access to its property.
- (f) The Customer shall not attach wire, cables, clotheslines or any other fixtures to Hydro's poles or other property except by prior written permission of Hydro.
- (g) The Customer shall allow Hydro to trim all trees in close proximity to service lines in order to maintain such lines in a safe manner.
- (h) The Customer shall not erect any buildings or obstructions on any of Hydro's easement lands or alter the grade of such easements by more than 20 centimetres, without the prior approval of Hydro.

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NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

14. HYDRO LIABILITY:

Hydro shall not be liable for any failure to supply Service for any cause beyond its reasonable control, nor shall it be liable for any loss, damage or injury caused by the use of Services or resulting from any cause beyond its reasonable control.

15. GENERAL:

- (a) No employee, representative or agent of Hydro has authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Regulations and no such promise, agreement or representation shall be binding on Hydro.
- (b) Any notice under these Regulations will be considered to have been given to the Customer on the date it is received by the Customer or three days following the date it was delivered or mailed by Hydro to the Customer's last known address, whichever is sooner.

16. POLICIES FOR AUTOMATIC RATE CHANGES

- (a) Island Interconnected System:
 - (i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.
- (b) L'Anse au Loup System:
 - (i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.
- (c) Isolated Systems:
 - (i) Isolated Rural Domestic customers, excluding Government departments, pay the same rates as Newfoundland Power for the basic customer charge and First Block consumption (outlined in Rate 1.2D). Rates charged for consumption above this block will be automatically adjusted by the average rate of change granted Newfoundland Power from time to time.
 - (ii) Rates for Isolated Rural General Service customers, excluding Government departments, will increase or decrease by the average rate of change granted Newfoundland Power from time to time.
 - (iii) As Newfoundland Power changes its rates, Hydro will automatically adjust Rural Isolated street and area lighting rates, excluding those for Government departments, such that these rates are the same as charged Newfoundland Power customers.

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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	
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.

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 1.3 BURGEO SCHOOL AND LIBRARY

Availability:

For Service to Burgeo School and Library.

Rate:

Energy Charge:
All kilowatt-hours@5.572¢ per kWh

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:

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

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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	
	•
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.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3

GENERAL SERVICE 110 kVA (100 kW) -1000 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.

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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 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)

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:

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.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1

STREET AND AREA LIGHTING SERVICE

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:

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.

SCHEDULE C

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NEWFOUNDLAND AND LABRADOR HYDRO RATE 1.2D DOMESTIC DIESEL

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

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.

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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 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:	\$1	١5.	.59) p	er m	ontl	h
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Energy Charge:

First Block (See Table Below) kilowatt-hours per month	@	9 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.
First Block	1000	1000	900	900	800	800	700	700	700	800	900	1000
Second Block	0	0	100	100	200	200	300	300	300	200	100	0

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.

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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 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	
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.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1D

STREET AND AREA LIGHTING SERVICE DIESEL

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:	O #10.16 1.W/
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:

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.2G DOMESTIC DIESEL

GOVERNMENT DEPARTMENTS

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

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.

SCHEDULE C

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1G

GENERAL SERVICE DIESEL 0-10 kW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service to Government Departments throughout the Island and Labrador diesel service areas of Hydro, 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:

Basic Customer Charge	\$41.03 per month
Energy Charge: All kilowatt-hours	
Minimum Monthly Charge	\$41.03

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2G

GENERAL SERVICE DIESEL OVER 10 KW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge	\$44.82 per month
Energy Charge: All kilowatt-hours	
Minimum Monthly Charge	\$44.82

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1G

STREET AND AREA LIGHTING SERVICE DIESEL

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

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:

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1H DOMESTIC

Availability:

For Street and Area Lighting Service to 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:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$63.95
HIGH PRESSURE SODIUM 1	
100W (8,600 lumens)	51.80
150W (14,400 lumens)	63.95

Only High Pressure Sodium fixtures are available for all new installations and replacements.

General:

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1H

GENERAL SERVICE 0 - 10 kW

Availability:

For Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Basic Customer Charge:	\$7.00 per month
Energy Charge: All kilowatt-hours	
Minimum Monthly Charge	\$7.00

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2H

GENERAL SERVICE 10 - 100 kW (110 kVA

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge:	\$9.10 per month
Energy Charge: All kilowatt-hours	.@ 4.945 ¢ per kWh
Minimum Monthly Charge: Single Phase Three Phase	

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 schedule does not include the Harmonized Sales Tax (HST) which applies to

electricity bills.

SCHEDULE C

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3H

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$2.00 per kW

Energy Charge:

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ϕ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than \$20.00 for a three phase service.

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:

Order No. P. U. 14(2007)

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 2.4H

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.85 per kVA

Energy Charge:

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ϕ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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:

SCHEDULE C

Order No. P. U. 14(2007) Issued: May 17, 2007

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 4.1H

STREET AND AREA LIGHTING SERVICE

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.70 per kVA

Energy Charge:

All kilowatt-hours@ 1.729 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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:

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 5.1H

SECONDARY ENERGY

Availability:

For Street and Area Lighting Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$ 11.90
HIGH PRESSURE SODIUM 1	
100W (8,600 lumens)	8.75
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

Only High Pressure Sodium fixtures are available for all new installations and replacements.

Special poles used exclusively for lighting service

Wood......\$3.00

General:

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1H (continued)

SECONDARY ENERGY

Availability:

For Service to Customers on the Labrador Interconnected grid engaged in fuel switching who purchase a minimum of 1 MW load and a maximum of 24 MW, who provide their own transformer and, who are delivered power at primary voltages. Hydro shall supply Secondary Energy to the Customer at such times and to the extent that Hydro has Churchill Falls electricity available in excess of the amount it requires for its own use, and to meet its commitments and sales opportunities, present and future, for firm energy. Moreover, Hydro may interrupt or reduce the supply of Secondary Energy at its sole discretion for any cause whatsoever. The energy delivered shall be used solely for the operation of the equipment engaged in fuel switching.

Energy Charge:

The energy charge shall be calculated monthly based on:

EITHER:

A. The Customer's cost of fuel (cents per litre) most recently delivered to the Customer including fuel additives, if any, in accordance with the following formula:

Secondary Energy Rate = Constant Factor x Fuel Cost/Litre x 90%

Constant Factor = $\frac{3413 \text{ BTU/kWh x A x B}}{\text{C x D}}$

Where:

A = Customer's Electric Boiler Efficiency

B = Transformer and Losses Adjustment Factor

C = BTU/Litre of the Customer's fuel

D = Customer's Oil-fired Boiler Efficiency

OR:

B. The price equivalent to that negotiated for the sale of energy to non-regulated customers, as adjusted for losses.

WHICHEVER IS GREATER.

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 1.1W DOMESTIC

Prior to the commencement of service, the Customer will provide to Hydro the rate component values for insertion in the pricing formula for Secondary Energy. If subsequent changes to any of these rate components are required, the Customer will provide them to Hydro as soon as practicable. Hydro may require that these rate component values be verified.

Communications

The Customer and Hydro shall each designate a position within their respective staffs to be responsible for communications as to changes in the cost of the fuel delivered to the Customer. Hydro will contact the Customer's designate on or before the second working day of each month at which time the Customer's designate will inform Hydro of the fuel cost. If this information is unavailable to Hydro for any reason, Hydro will use the previous month's fuel cost and make the adjustment to the correct cost in the following month's billing.

Power Factor

If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at the Customer's expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

General:

Insofar as they are not inconsistent with the forgoing, the conditions of service provided in the Rules and Regulations shall apply to Customers in this rate class.

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1W

GENERAL SERVICE 0 - 10 kW

Availability:

For Service throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Basic Customer Charge:	\$5.75 per month
Energy Charge: All kilowatt-hours	
	\$5.75
Transministra in Charge	Ψειτο

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

SCHEDULE C Order No. P. U. 14(2007) Issued: May 17, 2007

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2W

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge:	\$9.10 per month
Energy Charge:	
All kilowatt-hours	@ 3.754 ¢ per kWh
Minimum Monthly Charge: Single Phase	\$9.10
Three Phase	\$20.00

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

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3W

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month @ \$2.00 per kW

Energy Charge:

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than \$20.00 for a three phase service.

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:

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NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4W

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.85 per kVA

Energy Charge:

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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:

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

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.70 per kVA

Energy Charge:

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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:

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 4.11W STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador City and Wabush Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR ¹	
250W (9,400 lumens)	\$ 8.86
HIGH PRESSURE SODIUM ²	
100W (8,600 lumens)	7.97
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

Fixtures previously owned by the Town of Wabush as of September 1, 1985, and transferred to Hydro in 1987.

Special poles used exclusively for lighting service

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.

² Only High Pressure Sodium fixtures are available for all new installations and replacements installed after September 1, 2002.

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NEWFOUNDLAND AND LABRADOR HYDRO

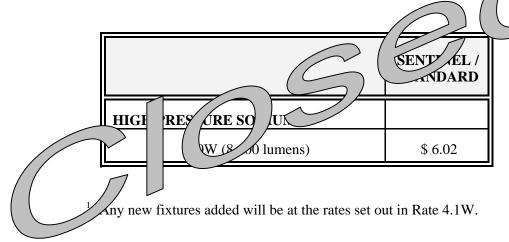
RATE No. 4.12W

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro existing as of September 1, 2002.

Monthly Rate:



Special poles used exclusively for lighting service

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

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NEWFOUNDLAND AND LABRADOR HYDRO RATE No. 4.12W STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	\$ 3.83

Special poles used exclusively for lighting service

Wood......\$3.00

General:

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

SCHEDULE D ORDER NO. P. U. 14(2007)

Schedule D Order No. P. U. 14(2007) Issued: May 17, 2007

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Page 6 of 8, Schedule A, Order No. P. U. 8(2007) AMENDED

NEWFOUNDLAND AND LABRADOR HYRO

INDUSTRIAL - FIRM

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.

Newfoundland & Labrador

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES 120 TORBAY ROAD, ST. JOHN'S, NL

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