

1 **P.U. 31(2006)**
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4 **IN THE MATTER OF THE PUBLIC**
5 **UTILITIES ACT**, RSNL1990, c. P-47,
6 as amended (the “*Act*”)
7

8 **AND**
9

10 **IN THE MATTER OF** an application by
11 Newfoundland and Labrador Hydro (“Hydro”)
12 for approval of Rate Stabilization Plan components
13 of the rates to be charged to Industrial Customers.
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19 **WHEREAS** Hydro is a statutory body corporate existing pursuant to the *Hydro Corporation Act*, c.
20 H-16 of the Revised Statutes of Newfoundland and Labrador, as amended, and is a public utility
21 within the meaning of the *Act*; and
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23 **WHEREAS** Order No. P.U. 40(2003) sets out the manner by which the Rate Stabilization Plan
24 (“RSP”) is calculated and applied to the rates charged by Hydro to its Island Interconnected
25 Industrial Customers; and
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27 **WHEREAS** Order No. P.U. 2(2006) approved the Firm Rates for Hydro’s Industrial Customers
28 effective for consumption on or after January 1, 2006; and
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30 **WHEREAS** pursuant to the provisions of the *Act*, the Board may approve a revised Schedule of
31 Rates, which would include an adjustment to the RSP components of rates; and
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1 **WHEREAS** pursuant to section 5.1 of the *Electrical Power Control Act* (the “*EPCA*”) the
2 Lieutenant Governor in Council is empowered to direct the Board on matters concerning the
3 determination of rates structures of public utilities; and

4
5 **WHEREAS** pursuant to Order in Council No. 2006-436 dated September 29, 2006 the Board was
6 directed pursuant to section 5.1 of the *EPCA* as to changes to Hydro’s rate structures related to
7 adjustments to components of the Island Industrial RSP (the “Order in Council”); and

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9 **WHEREAS** as contemplated in the Order in Council Hydro applied on September 22, 2006 to the
10 Board for approval of revised 2006 Industrial Firm Energy Rates that reflect the following
11 adjustments to the Island Industrial RSP:

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- 13 (a) a revised calculation of the fuel rider to adjust the 2004 Test Year barrels of No. 6
14 fuel forecast to be consumed at the Holyrood Generating Station to reflect a
15 reduction in load resulting from the shutdown of Abitibi Consolidated Inc. –
16 Stephenville Division;
 - 17 (b) a modification of the calculation of the Historic Plan RSP recovery rate to reflect a
18 contribution to the plan on account of the shutdown of Abitibi Consolidated Inc. –
19 Stephenville Division; and
 - 20 (c) an adjustment to the Industrial Customer kWh sales to reflect the shutdown of
21 Abitibi Consolidated Inc. – Stephenville Division; and

22
23 **WHEREAS** approval of Hydro’s application is in accordance with the Order in Council.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The Board hereby approves the Firm Energy Rates for Hydro's Island Interconnected
4 Industrial Customers attached hereto as Schedule "A" to be effective for consumption on or
5 after October 1, 2006.

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7 2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

Dated at St. John's, Newfoundland and Labrador, this 5th day of October 2006.

Robert Noseworthy
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary

Schedule “A”

Order No. P. U. 31(2006)

Issued: October 5, 2006

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL -FIRM

Availability:

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

Rate:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.17 per month per kilowatt of billing demand.

Firm Energy Charge:

Base Rate*@ 2.675 ¢ per kWh
RSP Adjustment.....@ 1.223 ¢ per kWh
Energy Rate.....@ 3.898 ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

Specifically Assigned Charges:

The table below contains the additional specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
Abitibi-Consolidated (Grand Falls)	\$ 1,968
Abitibi-Consolidated (Stephenville)	\$ 103,019
Corner Brook Pulp and Paper Limited	\$ 176,442
North Atlantic Refining Limited	\$ 174,011

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 AND LABRADOR HYDRO

INDUSTRIAL – FIRM

AUR RESOURCES INC.

Rate:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.17 per month per kilowatt of billing demand.

Firm Energy Charge:

Base Rate*@ 2.675 ¢ per kWh
RSP Adjustment.....	@ 1.223 ¢ per kWh
Energy Rate.....	@ 3.898 ¢ per kWh

*Subject to RSP Adjustment:

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

Specifically Assigned Charges:

The specifically assigned charges for customer plant in service that is specifically assigned to Aur Resources Inc. shall be \$150,000 per annum.

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 calculation and application of these rates are outlined in the Industrial Service Agreements signed with other Members of the Industrial Customer class.

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