

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

**AN ORDER OF THE BOARD**

**NO. P.U. 3(2023)**

1 **IN THE MATTER OF** the **Electrical Power**  
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1  
3 (the “**EPCA**”) and the **Public Utilities Act**,  
4 RSNL 1990, Chapter P-47 (the “**Act**”), as  
5 amended, and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for approval of  
9 Island Industrial Customer rates to reflect revisions  
10 with respect to the Island Industrial Customer Rate  
11 Stabilization Plan Adjustments.  
12  
13

14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing  
15 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is  
16 also subject to the provisions of the **EPCA**; and  
17

18 **WHEREAS** Hydro’s Island Industrial Customer rates are adjusted on January 1 each year to update  
19 the Rate Stabilization Plan (“RSP”) Current Plan Adjustment pursuant to the RSP Rules for Balance  
20 Disposition approved in Order No. P.U. 4(2022); and  
21

22 **WHEREAS** on January 13, 2023 Hydro filed an application (the “Application”) for approval of:  
23 i. a revised Island Industrial Customer RSP Current Plan Adjustment of 1.477 cents per kWh  
24 effective January 1, 2023; and  
25 ii. the conclusion of the Island Industrial Customer RSP Current Plan Mitigation Adjustment  
26 of (0.675) cents per kWh effective January 1, 2023; and  
27

28 **WHEREAS** the Application stated that the Island Industrial Customer RSP Current Plan balance as  
29 of December 31, 2022 was a debit balance owing from customers of approximately \$5.5 million  
30 which results in an RSP Current Plan Adjustment of 1.477 cents per kW and a projected average  
31 billing increase for Island Industrial customer of approximately 5.9% in 2023; and  
32

33 **WHEREAS** in Order No. P.U. 5(2022) the Board approved the RSP Current Plan Mitigation  
34 Adjustment of (0.675) cents per kWh to allow the Current Plan Balance from 2021 to be  
35 recovered over 2022 and 2023; and

1 **WHEREAS** in this Application Hydro proposed to conclude the RSP Current Plan Mitigation  
2 Adjustment effective January 1, 2023 to allow for the recovery in 2023 of the remaining Current  
3 Plan Balance from 2021, an increase of approximately 9.5% in Island Industrial customer billings;  
4 and

5  
6 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
7 the Consumer Advocate, Dennis Browne, K.C.; a group of Island Industrial Customers: Corner  
8 Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale  
9 Newfoundland and Labrador Limited (the “Island Industrial Customer Group”); Linde Canada Inc.;  
10 and Teck Resources Limited; and

11  
12 **WHEREAS** on January 23, 2023 the Island Industrial Customer Group and Newfoundland Power  
13 advised the Board that they did not have any comment on the Application; and

14  
15 **WHEREAS** the Board did not receive any other comments on the Application; and

16  
17 **WHEREAS** on January 24, 2023 Hydro filed a reply requesting the Application be approved as  
18 submitted; and

19  
20 **WHEREAS** the Board is satisfied that the proposed Island Industrial Customer RSP Current Plan  
21 Adjustment for 2023 of 1.477 cents per kWh provides for the recovery of costs in accordance  
22 with the RSP Rules for Balance Disposition and should be approved; and

23  
24 **WHEREAS** the Board is satisfied that the conclusion of the RSP Current Rate Mitigation  
25 Adjustment should be approved.

26  
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28 **IT IS THEREFORE ORDERED THAT:**

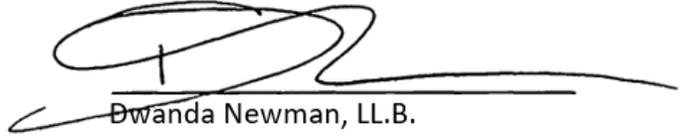
- 29
- 30 1. The Island Industrial Customer RSP Current Plan Adjustment of 1.477 cents per kWh is  
31 approved.
  - 32
  - 33 2. The conclusion of the Island Industrial Customer RSP Current Plan Mitigation Adjustment is  
34 approved.
  - 35
  - 36 3. The Island Industrial Customer rates to be effective on all electrical consumption on and after  
37 January 1, 2023, as set out in Schedule A to this Order, are approved.
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  - 39 4. Hydro shall pay all expenses of the Board arising from the Application.

**DATED** at St. John's, Newfoundland and Labrador, this 26<sup>th</sup> day of January 2023.



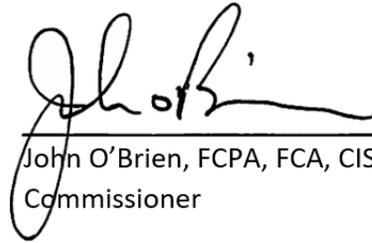
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Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer



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Dwanda Newman, LL.B.  
Vice-Chair



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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Christopher Pike, LL.B., FCIP  
Commissioner



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Cheryl Blundon  
Board Secretary

**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.

**Base Rate\***

**Demand Charge**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$10.73 per kilowatt (kW) per month of billing demand.

**Firm Energy Charge**

Base Rate ..... @ 4.428¢ per kWh

**RSP Adjustment**

Current Plan ..... @ 1.477¢ per kWh

**CDM Cost Recovery Adjustment.....@ 0.014¢ per kWh**

## INDUSTRIAL – FIRM

### Specifically Assigned Charges

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

	<b>Annual Amount</b>
Corner Brook Pulp and Paper Limited	\$13,311
Braya Renewable Fuels (Newfoundland) GP Inc.	\$107,678
Teck Resources Limited	\$51,789
Vale	\$145,352

### **\*Subject to RSP Adjustments and CDM Cost Recovery Adjustment**

RSP Adjustments 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.

The CDM Cost Recovery Adjustment is updated annually to provide recovery over a seven-year period of costs charged annually to the Conservation and Demand Management (CDM) Cost Deferral Account.

### **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) that applies to electricity bills.**

## INDUSTRIAL – NON-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

#### Non-Firm Energy Charge (¢ per kWh)

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C) \times (1 \div (1 - D))\} \times 100$$

- A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used
- B = the conversion factor for the source used (kWh/bbl)
- C = the administrative and variable operating and maintenance charge (10%)
- D = the average system losses on the Island Interconnected grid for the last five years ending in 2016 (3.34%).

The energy sources and associated conversion factors are:

- 1) Holyrood, using No. 6 fuel with a conversion factor of 583 kWh/bbl
- 2) Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
- 3) Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl

### 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) that applies to electricity bills.**

**INDUSTRIAL – WHEELING**

**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 and whose Industrial Service Agreement so provides.

**Rate**

**Energy Charge**

All kWh (net of losses)\* ..... @ 0.831¢ per kWh

\*For the purpose of this Rate, losses shall be 3.34%, the average system losses on the Island Interconnected Grid for the last five years ending in 2016.

**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) that applies to electricity bills.**