

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

AN ORDER OF THE BOARD

NO. P.U. 22(2025)

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

IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval of a revised Utility Rate reflecting updates to the Rate Stabilization Plan Current Plan Adjustment, Conservation and Demand Management Cost Recovery Adjustment and Project Cost Recovery Rider for Newfoundland Power Inc., pursuant to sections 70(1) and 71 of the **Act**.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing under the **Hydro Corporation Act, 2024**, SNL 2024, Chapter H-18, is a public utility within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and

WHEREAS in Order No. P.U. 4(2022) the Board approved the Rate Stabilization Plan (“RSP”) Rules for Balance Disposition which provided for the disposition of balances accumulated up to October 31, 2021; and

WHEREAS in Order No. P.U. 19(2022) the Board approved the commencement of the recovery of Muskrat Falls Project costs and implemented a Project Cost Recovery Rider; and

WHEREAS in Order No. P.U. 37(2022) the Board approved an amendment to the Conservation and Demand Management (“CDM”) Cost Deferral Account to permit an amortization period of ten years for CDM costs; and

WHEREAS on May 7, 2024 the Government of Newfoundland and Labrador issued Order in Council OC2024-062 directing Hydro to structure any application for Utility rate increases such

1 that retail rate increases to domestic class customers attributable to Hydro shall be targeted at
2 2.25% per year up to and including 2030; and

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4 **WHEREAS** in Order No. P.U. 15(2024) the Board approved a revised Utility Rate, effective August
5 1, 2024; and

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7 **WHEREAS** in Order No. P.U. 13(2025) the Board approved the transfer of the 2024 Isolated
8 Systems Supply Cost Deferral Account of approximately \$6.5 million to the Utility RSP Current
9 Plan balance effective March 31, 2025; and

10
11 **WHEREAS** on April 15, 2025 Hydro filed an application (the "Application") seeking approval for a
12 revised Utility Rate effective July 1, 2025 reflecting:

- 13 i) a revised RSP Current Plan Adjustment of 0.413 cents per kWh;
14 ii) a revised CDM Cost Recovery Adjustment of 0.019 cents per kWh; and
15 iii) a revised Project Cost Recovery Rider of 1.516 cents per kWh; and

16
17 **WHEREAS** the RSP Rules for Balance Disposition requires Hydro to update the utility RSP Current
18 Plan Adjustment annually based upon the March 31 RSP balance; and

19
20 **WHEREAS** the Application stated that as of March 31, 2025 the utility RSP Current Plan balance
21 was \$28.3 million which results in a revised utility RSP Current Plan Adjustment of 0.413 cents
22 per kWh, a decrease of 0.048 cents per kWh, effective July 1, 2025; and

23
24 **WHEREAS** the CDM Cost Deferral Account requires Hydro to update the utility CDM Cost Recovery
25 Adjustment annually to provide for the recovery of costs transferred to the account each year
26 which results in a revised utility CDM Cost Recovery Adjustment of 0.019 cents per kWh, an
27 increase of 0.002 cents per kWh, effective July 1, 2025; and

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29 **WHEREAS** the Application stated that Hydro, in consultation with Newfoundland Power Inc.
30 ("Newfoundland Power"), calculated the proposed 1.516 cents per kWh utility Project Cost
31 Recovery Rider, an increase of 0.392 cents per kWh, effective July 1, 2025, to meet the target
32 2.25% domestic retail rate increase; and

33
34 **WHEREAS** the Application was copied to: Newfoundland Power; the Consumer Advocate, Mr.
35 Dennis Browne, KC; a group of Island Industrial Customers: Corner Brook Pulp and Paper Limited,
36 Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited;
37 Teck Resources Limited; and Linde Canada Inc.; and

38
39 **WHEREAS** on April 25, 2025, at the request of the Board, Newfoundland Power filed additional
40 information to support the calculations determining the targeted 2.25% domestic retail rate
41 increase; and

42
43 **WHEREAS** on May 12, 2025, Newfoundland Power advised that it had no comment on the
44 Application; and

WHEREAS no further comments were received by the Board and on May 15, 2025 Hydro filed a reply requesting the Application be approved as submitted; and


WHEREAS the Board is satisfied that the proposals in the Application are consistent with the RSP Rules for Balance Disposition, the definition of the CDM Cost Deferral Account, and OC2024-062, and therefore should be approved.

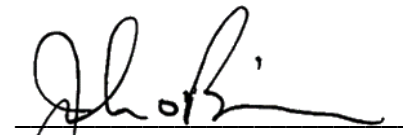
IT IS THEREFORE ORDERED THAT:

1. The proposed Utility Rate, as set out in Schedule A to this Order, to be effective on all electrical consumption on and after July 1, 2025, is approved.
2. Hydro shall pay all expenses of the Board arising from the Application.

DATED at St. John's, Newfoundland and Labrador this 16th day of June 2025.


 Kevin Fagan
 Chair and Chief Executive Officer


 Dwanda Newman, LL.B.
 Vice-Chair


 John O'Brien, FCPA, FCA, CISA
 Commissioner


 Jo-Anne Galarneau
 Executive Director and Board Secretary

**NEWFOUNDLAND AND LABRADOR HYDRO
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Availability

This rate is applicable to service to Newfoundland Power ("NP").

Definitions

"Billing Demand"

The Curtailable Credit shall apply to determine the billing demand as an adjustment to the highest Native Load established during the winter period. The computation of the adjustment to reflect the Curtailable Credit is provided in the definitions below.

In the months of January through March, billing demand shall be the greater of:

- a)** The highest Native Load less the Generation Credit and the Curtailable Credit, beginning in the previous December and ending in the current month; and
- b)** The Minimum Billing Demand.

In the months of April through December, billing demand shall be the greater of:

- a)** The Weather-Adjusted Native Load less the Generation Credit and the Curtailable Credit, plus the Weather Adjustment True-up; and
- b)** The Minimum Billing Demand.

If at the time of establishing its Maximum Native Load, NP has been requested by Hydro to reduce its Native Load by shedding curtailable load, the calculation of Billing Demand for each month shall not deduct the Curtailable Credit.

"Generation Credit" refers to NP's net generation capacity less allowance for system reserve, as follows:

	kW
Hydraulic Generation Credit	83,486
Thermal Generation Credit	34,568
Newfoundland Power Generation Credit	118,054

In order to continue to avail of the Generation Credit, NP must demonstrate the capability to operate its generation to the level of the Generation Credit. This will be verified in a test by operating the generation at a minimum of this level for a period of one hour as measured by the generation demand metering used to determine the Native Load. The test will be carried out at a mutually agreed time between December 1 and March 31 each year. If the level is not sustained, NP will be provided with an opportunity to repeat the test at another mutually agreed time during the same December 1 to March 31 period. If the level is not sustained in the second test, the Generation Credit will be reduced in

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calculating the associated billing demands for January to December to the highest level that could be sustained.

“Curtable Credit” is determined based upon NP's forecast curtable load available for the period in accordance with the terms and conditions set forth in NP's Curtable Service Option. NP will notify Hydro of its available curtable load with its forecast of annual and monthly electricity requirements.

In order to receive the Curtable Credit, NP must demonstrate the capability to curtail its customer load requirements to the level of the Curtable Credit. This will be verified in a test by curtailing load at a minimum of this level for a period of one hour. The test will be carried out at a mutually agreed time in December. If the level is not sustained, the Curtable Credit will be reduced to the level sustained. If Hydro requests NP to curtail load before a test is completed and NP demonstrates the capability to curtail to the level of the Curtable Credit, no test will be required.

NP will be required to provide a report to Hydro no later than April 15 to demonstrate the amount of load curtailed for each request of Hydro during the previous winter season. If the load curtailed is less than forecast for either request during the winter season, the annual Curtable Credit will be adjusted to reflect the average load curtailed for the winter season. If NP is not requested to curtail during the winter season, the Curtable Credit will be established based upon the lesser of the load reduction achieved in the test or the forecast curtable load (as provided in the previous two paragraphs).

“Maximum Native Load” means the maximum Native Load of NP in the four-month period beginning in December of the preceding year and ending in March of the current year.

“Minimum Billing Demand” means ninety-nine percent (99%) of:

NP's test year Native Load less the Generation Credit and the Curtable Credit.

The Curtable Credit reflected in the Minimum Billing Demand will be set to equal the curtable load used to determine the Maximum Native Load for NP for the most recently approved Test Year.

“Month” means for billing purposes, the period commencing at 12:01 hours on the last day of the previous month and ending at 12:00 hours on the last day of the month for which the bill applies.

“Native Load” is the sum of:

- a) The amount of electrical power, delivered at any time and measured in kilowatts, supplied by Hydro to NP, averaged over each consecutive period of fifteen minutes duration, commencing on the hour and ending each fifteen-minute period thereafter;
- b) The total generation by NP averaged over the same fifteen-minute periods.

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“Weather-Adjusted Native Load” means the Maximum Native Load adjusted to normal weather conditions, calculated as:

Maximum Native Load
plus (Weather Adjustment, rounded to 3 decimal places, x 1,000)

Weather Adjustment is further described and defined in the Weather Adjustment section.

“Weather Adjustment True-up” means one-ninth of the difference between:

- a) The greater of:
 - The Weather Adjusted Native Load less the Generation Credit and the Curtailable Credit (if applicable), times three; and
 - The Minimum Billing Demand, times three; and
- b) The sum of the actual billed demands in the Months of January, February and March of the current year.

Monthly Rates

Billing Demand Charge

Billing Demand, as set out in the Definitions section, shall be charged at the following rate:

Demand Charge..... \$5.00 per kW of Billing Demand

Energy Charge

January-March

First 590,000,000 kilowatt-hours* @ 8.515¢ per kWh
All excess kilowatt-hours* @ 9.698¢ per kWh

April-June

First 290,000,000 kilowatt-hours* @ 8.515¢ per kWh
All excess kilowatt-hours* @ 3.354¢ per kWh

July-September

First 130,000,000 kilowatt-hours* @ 8.515¢ per kWh
All excess kilowatt-hours* @ 3.354¢ per kWh

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October-November

First 250,000,000 kilowatt-hours* @ 8.515¢ per kWh
All excess kilowatt-hours* @ 3.354¢ per kWh

December

First 250,000,000 kilowatt-hours*@ 8.515¢ per kWh
All excess kilowatt-hours*@ 9.698¢ per kWh

Firming-Up Charge

Secondary energy supplied by
Corner Brook Pulp and Paper Limited*@ 2.882¢ per kWh

RSP Adjustment - Current Plan.....@ 0.413¢ per kWh

Project Cost Recovery Rider.....@ 1.516¢ per kWh

CDM Cost Recovery Adjustment.....@ 0.019¢ per kWh

***Subject to RSP Adjustment, CDM Cost Recovery Adjustment, and Project Cost Recovery Rider**

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 to metered demand and energy.

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Adjustment for Station Services and Step-Up Transformer Losses

If the metering point is not on the generator output terminals of NP's generators, an adjustment for Newfoundland Power's power consumption between the generator output terminals and the metering point as determined in consultation with the customer prior to the implementation of the metering shall be applied to the metered demand.

Weather Adjustment

This section outlines procedures and calculations related to the weather adjustment applied to NP's Maximum Native Load.

- a) Weather adjustment shall be undertaken for use in determining NP's Billing Demand.
- b) Weather adjustment shall be derived from Hydro's NP native peak demand model.
- c) By September 30th of each year, Hydro shall provide NP with an updated weather adjustment coefficient incorporating the latest year of actuals.
- d) The underlying temperature and wind speed data utilized to derive weather adjustment shall be sourced to weather station data for the St. John's, Gander, and Stephenville airports reported by Environment Canada. NP's regional energy sales shall be used to weigh regional weather data. Hydro shall consult with NP to resolve any circumstances arising from the availability of, or revisions to, weather data from Environment Canada and/or wind chill formulation.
- e) The primary definition for the temperature weather variable is the average temperature for the peak demand hour and the preceding seven hours. The primary definition for the wind weather data is the average wind speed for the peak demand hour and the preceding seven hours. Hydro will consult with NP should data anomalies indicate a departure from the primary definition of underlying weather data.
- f) Subject to the availability of weather data from Environment Canada, Hydro shall prepare a preliminary estimate of the Weather-Adjusted Native Load by March 15th of each year, and a final calculation of the Weather-Adjusted Native Load by April 5th of each year.

General

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

With respect to all matters where the customer and Hydro consult on resolution but are unable to reach a mutual agreement, the billing will be based on Hydro's best estimate.