

- 1 Q. (Rates and Regulation Evidence page 4.14, lines 9 to 13)
- 2 Please file for the record all Government policies or directives requiring Hydro to
- 3 provide subsidized rates to Rural Customers and recover the costs to fund the
- 4 subsidy from other customer classes.
- 5
- 6
- 7 A. Please see CA-NLH-038 Attachment 1.

Executive  
Council



Newfoundland  
and Labrador

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of the Committee of the Executive Council of Newfoundland and  
Labrador approved by His Honour the Lieutenant Governor on*

2003/07/08

OC2003-347

MC2003-0226. ME2003-008; TBM2003-149.

Under the authority of section 5.1 of the Electric Power Control Act, 1994, the Lieutenant Governor in Council hereby directs the Board of Commissioners of Public Utilities to:

- i) continue to charge fish plants in diesel-serviced communities and with demand of 30 kilowatts or more the Island interconnected electricity rate;
- ii) continue to charge churches and community halls in diesel-serviced communities the diesel domestic electricity rate and to continue to charge to the various customer groups in diesel communities, rates calculated on the same basis as existing practice;
- iii) continue the allocation of a monthly block of energy for domestic residential customers in diesel-serviced communities, and that such service be priced at Newfoundland Power's interconnected domestic electricity rate. The monthly lifeline block should be satisfactory to provide for the necessary monthly household requirements, excluding space heating. Subsequent monthly energy blocks for these customers to be charged incrementally higher rates as historically structured and determined. Such rates would increase as per any percentage increase to Island interconnected rates for Newfoundland Power customers;
- iv) proceed, as the Public Utilities Board determines appropriate, with implementation of a demand/energy rate structure for general service (commercial) customers in diesel communities, where such customers currently pay the diesel general service electricity rate. While the rate changes can include elimination of the lifeline block for these general service customers, the new rates should target the current cost recovery level for these customers;
- v) continue to fund the financial deficit resulting from providing electrical service to Newfoundland and Labrador Hydro's rural customers through the electricity rates charged to Newfoundland and Labrador Hydro's other electricity customers, including its Labrador interconnected retail customers and Newfoundland Power, but excluding the industrial

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customers;

vi) ensure Newfoundland and Labrador Hydro's communication to its retail customers, regarding rate changes and customer impacts, is carried out in a timely and suitable manner and,

vii) continue to charge the preferential electricity rates historically charged to provincial government facilities, including schools, health facilities and government agencies, in rural isolated diesel serviced communities and the Burgeo school and library.

*Debra E. Fry*  
Clerk of the Executive Council

(Forwarded August 14, 2003 - To replace OC2003-347 previously forwarded)