

1 **Q. 2013 General Rate Application, Finance**

2 List each direction received from Government that is relied on by Hydro in seeking
3 approval of its Application, other than those relating to rural rates which are to be
4 provided in response to PUB-NLH-77. Provide the year the direction was given, the
5 nature of the direction and the impact of each direction on the Application.

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7
8 **A.** The directives, other than those pertaining to rural rates, relied upon by Hydro in
9 this Application are as follows:

- 10 • PUB-NLH-51 Attachment 1 - 2003 – directs that costs associated with exempt
11 projects be recovered in rates;
- 12 • PUB-NLH-51 Attachment 2 - 2009 – directs that Hydro's Return on Equity, etc.
13 be the same as that approved for Newfoundland Power (referred to at pages
14 3.2, 3.3, Volume 1 of Hydro's Pre-filed evidence) ;
- 15 • PUB-NLH-51 Attachment 3 - 2010 – (OC2010-216) - directs that the RSP
16 balance attributable to the Industrial Class load variation be reduced by \$10
17 million
- 18 • PUB-NLH-51 Attachment 4 - 2010 – amends OC2010-216 (PUB-NLH-51
19 Attachment 3);
- 20 • PUB-NLH-51 Attachment 5 - 2011 – directs Hydro to file a GRA by the end of
21 2011;
- 22 • PUB-NLH-51 Attachment 6 - 2011 – directs that the Board defer consideration
23 of Industrial Customer rates until Hydro's GRA;
- 24 • PUB-NLH-51 Attachment 7 - 2011 - directs Hydro to file a GRA by June 30,
25 2012;
- 26 • PUB-NLH-51 Attachment 8 - 2011 - directs the payment of a debt guarantee
27 fee (referred to at page 3.4, Volume 1 of Hydro's Pre-filed evidence);

- 1 • PUB-NLH-51 Attachment 9 - 2012 - directs Hydro to file a GRA by July 16,
2 2012;
- 3 • PUB-NLH-51 Attachment 10 - 2012 - directs Hydro to file a GRA by December
4 31, 2012;
- 5 • PUB-NLH-51 Attachment 11 - 2012 - directs Hydro to file a GRA by February
6 28, 2013;
- 7 • PUB-NLH-51 Attachment 12 - 2013 – directs Hydro to file a GRA by March 31,
8 2013;
- 9 • PUB-NLH-51 Attachment 13 - 2013 – directs Hydro to file a GRA by April 15,
10 2013;
- 11 • PUB-NLH-51 Attachment 14 - 2013 – directs that Hydro and Nalcor extend the
12 4 cents /kWh Exploits PPA until June 30, 2014 (referred to at page 3.6,
13 Volume 1 of Hydro’s pre-filed evidence);
- 14 • PUB-NLH-51 Attachment 15 - 2013 – (OC2013-089) directs the Board with
15 regard to a number of elements of the RSP and that the GRA is to be based
16 upon a 2013 Test Year (referred to at page 1.2, 3.28 of Volume 1 of Hydro’s
17 Pre-filed evidence);
- 18 • PUB-NLH-51 Attachment 16 – 2013 – directs Hydro to file a GRA upon
19 incorporating into its application the rates policies that have been directed to
20 the Board of Commissioners of the Public Utilities as to the Rate Stabilization
21 Plan; and
- 22 • PUB-NLH-51 Attachment 17 - 2013 – amends OC2013-089 (PUB-NLH-51
23 Attachment 15).

2003/08/01

OC2003-406

MC2003-0258. ME2003-013, JUS2003-026, EPC2003-028.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities to:

- i) adopt a policy that a utility's costs, relative to projects exempted from the Public Utilities Act and the Electrical Power Control Act, 1994 by Order in Council, shall be recovered fully in appropriate rates, unless otherwise directed on a specified project; and,
- ii) that costs related to the Lower Churchill Development Project will be excluded from such policy directive.

Clerk of the Executive Council

(Forwarded August 22, 2003 - To replace OC2003-406 previously forwarded)

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2009/03/17

OC2009-063

MC2009-0140. NR2009-002. TBM2009-062.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities to adopt policies as follows for all future General Rate Applications by Newfoundland and Labrador Hydro, commencing with the first General Rate Application by Newfoundland and Labrador Hydro after January 1, 2009:

- i) in calculating the return on rate base for Newfoundland and Labrador Hydro, to set the same target return on equity as was most recently set for Newfoundland Power through a General Rate Application or calculated through the Newfoundland Power Automatic Adjustment Mechanism;
- ii) that Newfoundland and Labrador Hydro is entitled to earn annually, a rate of return equal to the weighted average cost of capital, as ordered from time to time, on the entire rate base as fixed and determined by the Board of Commissioners of Public Utilities, including amounts used solely for the provision of service to its rural customers; and
- iii) that the capital structure approved for Newfoundland and Labrador Hydro should be permitted to have a maximum proportion of equity as was most recently approved for Newfoundland Power.

A handwritten signature in cursive script, appearing to read "Gary Norris".

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2010/07/28

OC2010-216

MC2010-0558. NR2010-022. EPC2010-050.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities to:

- i) change Newfoundland and Labrador Hydro's rate structures to adopt a policy that, upon application by Newfoundland and Labrador Hydro, amends the Load Variation provision of Newfoundland and Labrador Hydro's Rate Stabilization Plan to effect a reduction in the balance of the Rate Stabilization Plan attributable to the Industrial Class load variation in the amount of \$10 million being the same amount that the Government of Newfoundland and Labrador contributed to the Industrial Customer component of the Rate Stabilization Plan, as approved by the Board under Order No. P.U. 31(2006); and
- ii) adopt a policy as to Newfoundland and Labrador Hydro's rate structures that, upon application by Newfoundland and Labrador Hydro for such a change in the Rate Stabilization Plan, the amount so deducted from the balance in the Industrial Customer Load Variation component to be reimbursed to the Government of Newfoundland and Labrador be approved, and that there will be no changes to Newfoundland and Labrador Hydro's rates to its customers or deemed changes to its other costs, cost structures, or other components of the Rate Stabilization Plan, resulting from that application.

A handwritten signature in cursive script, appearing to read "Gordon Lewis".

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2010/12/14

OC2010-317

MC2010-0823.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to amend OC2010-216 to remove the words "and that there will be no changes to Newfoundland and Labrador Hydro's rates to its customers or deemed changes to its other costs, cost structures, or other components of the Rate Stabilization Plan, resulting from that application" from Item (ii).

OC2010-216 is hereby amended.

A handwritten signature in cursive script that reads "Robert C. Thompson".

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2011/04/19

OC2011-115

MC2011-0272. NR2011-009. EPC2011-017.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council hereby directs the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities before the end of 2011.

A handwritten signature in cursive script, reading "Robert C. Thompson".

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2011/04/19

OC2011-116

MC2011-0272. NR2011-009. EPC2011-017.

On the basis that the Lieutenant Governor in Council will instruct the Newfoundland and Labrador Hydro-Electric Corporation to file a General Rate Application on or before December 31, 2011 and under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council hereby directs the Board of Commissioners of Public Utilities to defer the consideration of all matters currently before the Board pertaining to Industrial Customer rates and rate adjustments and to consider those matters in the context of the General Rate Application process.

A handwritten signature in cursive script, reading "Robert C. Thompson".

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2011/12/22

OC2011-388

MC2011-0622. MC2011-0272. NR2011-009.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council hereby directs the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by June 30, 2012.

OC2011-115 is hereby rescinded.

A handwritten signature in cursive script, reading "Robert C. Thompson".

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2011/08/23

OC2011-218

MC2011-0403. NR2011-018. EPC2011-042.

Under the authority of sections 21 to 25 of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council is pleased to direct that the Debt Guarantee Fee paid to Government by Newfoundland and Labrador Hydro for fiscal year 2010-11 and future years be established as follows:

- i) Commencing in 2011, NLH shall, not later than March 31 of each year, pay to Government of Newfoundland and Labrador an annual guarantee fee, said fee to be determined by applying a guarantee fee rate to the balance of obligations of NLH, net of related sinking funds, guaranteed by the Province of Newfoundland and Labrador (Province) and outstanding as at December 31 of the immediately preceding year as reported in Hydro's audited financial statements;
- ii) For debt outstanding as of December 31, 2010, the guarantee fee rate shall be 25 basis points in respect to those obligations that had a remaining term to maturity as of December 31, 2010 of less than or equal to 10 years and 50 basis points in respect to those obligations that had a remaining term to maturity as of December 31, 2010 of greater than 10 years;
- iii) For debt issued subsequent to December 31, 2010, the guarantee fee rate shall be 25 basis points in respect to those obligations with an original term to maturity of less than or equal to 10 years and 50 basis points in respect to those obligations with an original term to maturity greater than 10 years;
- iv) These rates so assigned shall remain in effect until the next period of review as considered appropriate by the Minister of Finance. Approval of the Lieutenant Governor

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2011/08/23

in Council will be required in instances where a subsequent review suggests a guarantee fee rate of greater than 100 basis points; and

v) The guarantee fee so levied shall be in relation to the guarantee as provided on all guaranteed debt outstanding for the calendar year in which the fee is levied.

A handwritten signature in cursive script, reading "Robert C. Thompson".

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2012/06/28

OC2012-162

MC2012-0279. MC2011-0622. MC2011-0272. NR2011-009.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council hereby directs the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by July 16, 2012.

OC2011-388 is hereby rescinded.

A handwritten signature in black ink, reading "Robert C. Thompson".

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2012/07/16

OC2012-175

MC2012-0301 . MC2012-0279. MC2011-0622. MC2011-0272. NR2011-009.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council hereby directs the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by December 31, 2012.

OC2012-162 is hereby rescinded.

A handwritten signature in black ink, reading "Robert C. Thompson".

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2012/12/28

OC2012-330

MC2012-0523. MC2012-0301. MC2012-0279. MC2011-0622. MC2011-0272.
NR2011-009.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council is pleased to direct the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by February 28, 2013.

OC2012-175 is hereby rescinded.

A handwritten signature in black ink, appearing to be 'A. J. Smith'.

Deputy Clerk of the Executive Council

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2013/03/07

OC2013-048

MC2013-0158. XX2013-028.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant Governor in Council is pleased to direct the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by March 31, 2013.

OC2012-330 is hereby rescinded.

A handwritten signature in black ink, reading "Robert C. Thompson".

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2013/03/26

OC2013-083

MC2013-0206.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant-Governor in Council is pleased to direct the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities by April 15, 2013.

OC2013-048 is hereby rescinded.

A handwritten signature in cursive script, reading "Robert C. Thompson".

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2013/04/04

OC2013-088

MC2013-0237. NR2013-010. EPC2013-019.

Under the authority of section 4 of the Hydro Corporation Act, 2007, section 4 of the Energy Corporation Act, and section 245 of the Corporations Act, the Lieutenant Governor in Council is pleased to direct Newfoundland and Labrador Hydro and Nalcor to extend their agreement requiring Newfoundland and Labrador Hydro to pay Nalcor 4 cents per kilowatt-hour for any and all electrical energy taken by Newfoundland and Labrador Hydro from the Exploits Generation assets until June 30, 2014.

A handwritten signature in cursive script, reading "Robert C. Thompson".

Clerk of the Executive Council

(Forwarded April 05, 2013 to replace OC2013-088 previously forwarded)

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2013/04/04

OC2013-089

MC2013-0238. NR2013-011. EPC2013-020.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to direct the Board of Commissioners of Public Utilities that:

- 1) Effective July 1, 2013, Island industrial customer rates will no longer be frozen. Effective on this date rate increases for island industrial customers will be phased in over a three year period, with funding for this phase-in to be drawn from the January 1, 2007 to June 30, 2013 accumulated Load Variation (the Rate Stabilization Plan Surplus) component of the Rate Stabilization Plan and credited to the Island industrial customer Rate Stabilization Plan effective June 30, 2013;
- 2) On June 30, 2013 the Island industrial customers' Rate Stabilization Plan will be credited with \$56.5 million, the estimated Rate Stabilization Plan amount required to phase-in industrial customer rates, based on Newfoundland and Labrador Hydro's General Rate Application. The remaining balance in the Rate Stabilization Plan Surplus on June 30, 2013, will be transferred to the credit of Newfoundland Power's Rate Stabilization Plan. No future adjustments will be made to these amounts credited. Effective July 1, 2013 all Island industrial customers, with the exception of Teck Resources, will be subject to the same standard industrial rate, equivalent to the existing base rate but excluding the Rate Stabilization Plan adjustment currently in place;
- 3) Teck Resources rate increase will be phased in, to a reasonable degree, in three equal annual percentage increases, and at the end of the phase-in period Teck Resources will be subject to the standard industrial rate;
- 4) Over the three year Island industrial rate phase in period, the shortfall in Newfoundland and Labrador Hydro's revenues when compared to revenue at the Board of Commissioners of Public Utilities-approved Island industrial customer rates, shall be funded from the Island industrial customer Rate Stabilization Plan;

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2013/04/04

- 5) Notwithstanding Items 1) through 4) above, effective January 1, 2014, the Island industrial customers will be subject to Rate Stabilization Plan rate changes in accordance with the Board of Commissioners of Public Utilities-approved methodology;
- 6) Newfoundland and Labrador Hydro's General Rate Application process shall include a Rate Stabilization Plan surplus refund plan to ratepayers. The refund plan shall comprise direct payments or rebates to ratepayers and shall not be in the form of an electricity rate adjustment. This refund plan will exclude Island industrial customers who will receive Rate Stabilization Plan surplus funds through the three year phase-in of new rates. The Board of Commissioners of Public Utilities shall make the final determination on the details of the refund to remaining ratepayers;
- 7) Newfoundland Power's portion of the Rate Stabilization Plan Surplus shall be distributed as a direct payment or rebate to its ratepayers and shall not be in the form of an electricity rate adjustment; and
- 8) Newfoundland and Labrador Hydro's General Rate Application shall be based on a 2013 test year in the determination of new electricity rates for customers.

A handwritten signature in black ink, reading "Robert C. Thompson".

Clerk of the Executive Council

(Forwarded April 05, 2013 to replace OC2013-089 previously forwarded)

Amended by OC2013-207

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2013/04/15

OC2013-108

MC2013-0244.

Under the authority of section 39(3) of the Hydro Corporation Act, 2007, the Lieutenant-Governor in Council is pleased to direct the Board of Directors of the Newfoundland and Labrador Hydro-Electric Corporation to ensure that the Corporation files a General Rate Application with the Board of Commissioners of Public Utilities upon incorporating into its application the rates policies that have been directed to the Board of Commissioners of Public Utilities as to the Rate Stabilization Plan.

OC2013-083 is hereby rescinded.

A handwritten signature in black ink, reading "Robert C. Thompson".

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2013/07/16

OC2013- 207

MC2013- 0359. XX2013-048. MC2013-0238. OC2013-089.

Under the authority of section 5.1 of the Electrical Power Control Act, 1994, the Lieutenant Governor in Council is pleased to amend OC2013-089 by:

- a) deleting the date "June 30, 2013" wherever it appears and substituting therefor the date "August 31, 2013";
- b) deleting the date "July 1, 2013" wherever it appears and substituting therefor the date "September 1, 2013"; and
- c) deleting the words "\$56.5 million" wherever they appear and substituting therefor the words "\$49 million".

OC2013-089 is hereby amended.

A handwritten signature in cursive script, reading "Robert C. Thompson".

Clerk of the Executive Council