

1 **Volume 1, Section 1 - Introduction**

2
3 **Q. The May/June 2007 Power Connection newsletter states in part:**

4
5 **"The net impact of the proposed rate changes will be an overall average increase to**
6 **current electricity rates of approximately 2.4%. However, even after the proposed**
7 **rate changes, our electricity rates for residential customers will still remain the**
8 **lowest in Atlantic Canada." Please:**

- 9
10 **a. Show how NP's residential and other rates would compare as at January**
11 **1, 2008 to each of the other Atlantic province's rates, but for the proposed**
12 **decrease due on July 1, 2007 owing to the annual review of the Rate**
13 **Stabilization Account (i.e.; assume for the purposes of this question no**
14 **change to the rates on July 1, 2007).**
15 **b. Show how NP's rates (both residential and others) as at January 1, 2008**
16 **will compare to those in the other Atlantic provinces assuming NP's**
17 **Application is granted as filed and assuming the expected RSA-ind icated**
18 **rate decrease occurs on July 1, 2007.**
19 **c. Provide the relative use of hydraulic resources in this province for**
20 **generation as compared to the other Atlantic provinces and comment as to**
21 **how, in light of this province's much greater access to cheaper hydraulic**
22 **generation, comparisons to the rates in the other Atlantic provinces is**
23 **meaningful.**

24
25 **A. (a) Attachment A provides a bill comparison for the four Atlantic Provinces. For this**
26 **comparison Newfoundland Power's rates are based on the proposed January 1, 2008**
27 **base rates and the Rate Stabilization and Municipal Tax Adjustments effective**
28 **January 1, 2007.**

29
30 Newfoundland Power prepares bill comparisons on a regular basis only for the
31 Domestic class. For the General Service classes, Newfoundland Power used a rate
32 survey dated May 1, 2007 that was provided by Manitoba Hydro. Consumption levels
33 are based on those used in the Manitoba Hydro survey, except for Domestic customers
34 which is based on Newfoundland Power's Domestic average use for 2006. On August
35 28, 2007, New Brunswick Power rates increased across-the-board by 6.4% on an
36 interim basis. The results for New Brunswick Power include the interim increase.
37 The average monthly bill excludes federal and provincial taxes.

38
39 **(b) Attachment B is similar to Attachment A except that the proposed January 1, 2008**
40 **rates for Newfoundland Power incorporate the Rate Stabilization and Municipal Tax**
41 **Adjustments effective July 1, 2007.**
42

Requests for Information

1 (c) Table 1 provides a breakdown of the relative use of various source of electricity
 2 production for each of the Atlantic Provinces according to the production information
 3 available from the major electricity generating companies in each province.
 4
 5

Table 1
Production by Source

Source	Prince Edward Island ¹	New Brunswick ²	Nova Scotia ³	Newfoundland ⁴
Thermal	-			
oil		N/A	4%	25%
coal		N/A	80%	-
Orimulsion		N/A	-	-
natural gas		N/A	3%	-
Total		49%	87%	25%
Nuclear	-	22%	-	-
Renewables	-			
hydro		N/A	N/A	69%
other		N/A	N/A	-
Total		19%	9%	69%
Purchase Power	100%	10%	4%	6%
Total	100%	100%	100%	100%

6
 7 1 From Maritime Electric's website
 8 2 From New Brunswick Power's 2005-6 Annual Report. The breakdown between the various types of fuel used in New Brunswick
 9 Power's thermal generating plants is not reported.
 10 3 From Emera's 2006 Annual Report
 11 4 From Newfoundland & Labrador Hydro's 2006 GRA Filing.
 12

13
 14 The comparison of average monthly rates provides customers with a meaningful
 15 indication of the cost of providing <> electricity as compared to the other Atlantic
 16 Provinces.

17
 18 Rates are a reflection of the overall cost structures underlying the provision of service.
 19 These costs include the cost of generation, transmission, distribution, and customer
 20 service, as well as pricing policies in the various jurisdictions such as, for example,
 21 the funding of Hydro's rural deficit.¹ Generation mix is one of many factors that
 22 influence the costs underlying rates.

23
 24 Table 1 indicates that Newfoundland has greater access to hydroelectric production, in
 25 percentage terms, than the other Atlantic Provinces. Any comparison of average
 26 monthly rates will necessarily reflect Newfoundland's greater access to hydroelectric

¹ The funding of Hydro Rural Deficit is mandated by the *Electrical Power Control Act, 1994*.

Requests for Information

- 1 production, as well as the influence of all of the other costs components underlying
- 2 the provision of safe, reliable electrical service in Newfoundland.

Attachment A

Requests for Information

1	Residential	1,258 kWh				
2						
3	Charlottetown PEI	\$ 166.18				
4	Halifax NS	145.06				
5	Fredericton NB	141.41				
6	St. John's NL	130.85				
7						
8						
9						
10	GS 0-10 kW	750 kWh	GS 0-10 kW	1,000 kWh		
11						
12	Charlottetown PEI	\$ 125.62	Charlottetown PEI	\$ 160.07		
13	Fredericton NB	105.22	Fredericton NB	133.49		
14	St. John's NL	101.11	St. John's NL	128.95		
15	Halifax NS	93.42	Halifax NS	119.39		
16						
17						
18						
19	GS 10-100 kW	5,000 kWh	GS 10-100 kW	10,000 kWh		
20		20 kW		40 kW		
21						
22	Charlottetown PEI	\$ 711.27	Charlottetown PEI	\$ 1,396.67		
23	Fredericton NB	585.90	Fredericton NB	1,176.74		
24	Halifax NS	578.40	Halifax NS	1,156.80		
25	St. John's NL	561.35	St. John's NL	1,102.41		
26						
27						
28						
29	GS 110-1000 kVA	25,000 kWh	GS 110-1000 kVA	120,000 kWh	GS 110-1000 kVA	200,000 kWh
30		111 kVA		333 kVA		556 kVA
31						
32	Charlottetown PEI	\$ 3,009	Fredericton NB	\$ 12,319	Fredericton NB	\$ 20,535
33	Fredericton NB	2,949	Charlottetown PEI	11,979	Charlottetown PEI	19,965
34	Halifax NS	2,892	Halifax NS	11,466	Halifax NS	19,110
35	St. John's NL	2,754	St. John's NL	10,459	St. John's NL	16,920
36						
37						
38						
39	GS 1000 kVA & Over	400,000 kWh	GS 1000 kVA & Over	2,555,000 kWh	GS 1000 kVA & Over	5,500,000 kWh
40		1,111 kVA		5,000 kVA		10,000 kVA
41						
42	Charlottetown PEI	\$ 34,100	Charlottetown PEI	\$ 199,582	Charlottetown PEI	\$ 419,600
43	St. John's NL	32,117	St. John's NL	189,247	St. John's NL	370,847
44	Halifax NS	32,017	Fredericton NB	178,907	Halifax NS	363,960
45	Fredericton NB	30,903	Halifax NS	171,317	Fredericton NB	356,174

1st Revision Note: Updated to reflect proposed rates for St. John's; revised increase for Fredericton, and revised Residential rate for Charlottetown.

Attachment B

Requests for Information

1	Residential	1,258 kWh			
2					
3	Charlottetown PEI	\$ 166.18			
4	Halifax NS	145.06			
5	Fredericton NB	141.41			
6	St. John's NL	127.26			
7					
8					
9					
10	GS 0-10 kW	750 kWh	GS 0-10 kW	1,000 kWh	
11					
12	Charlottetown PEI	\$ 125.62	Charlottetown PEI	\$ 160.07	
13	Fredericton NB	105.22	Fredericton NB	133.49	
14	St. John's NL	98.60	St. John's NL	125.73	
15	Halifax NS	93.42	Halifax NS	119.39	
16					
17					
18					
19	GS 10-100 kW	5,000 kWh	GS 10-100 kW	10,000 kWh	
20		20 kW		40 kW	
21					
22	Charlottetown PEI	\$ 711.27	Charlottetown PEI	\$ 1,396.67	
23	Fredericton NB	585.90	Fredericton NB	1,176.74	
24	Halifax NS	578.40	Halifax NS	1,156.80	
25	St. John's NL	547.03	St. John's NL	1,073.75	
26					
27					
28					
29	GS 110-1000 kVA	25,000 kWh	GS 110-1000 kVA	120,000 kWh	GS 110-1000 kVA
30		111 kVA		333 kVA	200,000 kWh
31					556 kVA
32	Charlottetown PEI	\$ 3,009	Fredericton NB	\$ 12,319	Fredericton NB
33	Fredericton NB	2,949	Charlottetown PEI	11,979	Charlottetown PEI
34	Halifax NS	2,892	Halifax NS	11,466	Halifax NS
35	St. John's NL	2,683	St. John's NL	10,115	St. John's NL
36					16,345
37					
38					
39	GS 1000 kVA & Over	400,000 kWh	GS 1000 kVA & Over	2,555,000 kWh	GS 1000 kVA & Over
40		1,111 kVA		5,000 kVA	5,500,000 kWh
41					10,000 kVA
42	Charlottetown PEI	\$ 34,100	Charlottetown PEI	\$ 199,582	Charlottetown PEI
43	Halifax NS	32,017	St. John's NL	181,787	Halifax NS
44	St. John's NL	30,967	Fredericton NB	178,907	St. John's NL
45	Fredericton NB	30,903	Halifax NS	171,317	Fredericton NB
					356,174

1st Revision Note: Updated to reflect proposed rates for St. John's; revised increase for Fredericton, and revised Residential rate for Charlottetown.