

**P.U. 17 (2005)**

**IN THE MATTER OF** the *Electrical Power Control Act*, R.S.N.L., 1994, c. E-5.1 (the “*EPCA*”) and the *Public Utilities Act* R.S.N.L., 1990, c. P-47 (“the *Act*”) and their subordinate regulations;

**AND IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro (“Hydro”) for approval of Rates to be charged its Island Interconnected Customers (Rate Class 1.1, 2.1, 2.2, 2.3, 2.4 and 4.1), Isolated Rural Domestic Customers (Rate Class 1.2D), and for Isolated Rural Street and Area Lighting (Rate Class 4.1D), pursuant to Section 70 of the *Act*;

**AND IN THE MATTER OF** an Application by Hydro for approval of the Rates to be charged to Newfoundland Power Inc. (NP) as affected by the change in the Rate Stabilization Plan component of the rates, pursuant to Section 71 of the *Act*.

**BEFORE:**                    **Robert Noseworthy**  
                                    **Chair and Chief Executive Officer**

**Darlene Whalen, P.Eng.**  
**Vice-Chair**

1 **WHEREAS** Hydro is a corporation duly organized and existing under the laws of the Province  
2 of Newfoundland and Labrador, is a public utility within the meaning of the *Act* and is also  
3 subject to the provisions of the *EPCA, 1994*; and

4

5 **WHEREAS** in Order No. P.U. 14 (2004) the Board decided that the historical practice that rates  
6 for Rural Customers automatically change as NP rates change would continue; and

7

8 **WHEREAS** in Order No. P.U. 20 (2004) the Board approved Hydro's revisions to the Rules and  
9 Regulations – Schedule C which includes Policies for Automatic Rate Changes (Section 16),  
10 which means that as NP changes its rates Hydro will automatically adjust certain rates for the  
11 Island Interconnected System, the L'Anse au Loup System, and the Isolated systems; and

12

13 **WHEREAS** on May 26, 2005 NP filed an Application with the Board for approval of the Rate  
14 Stabilization Adjustment and Municipal Tax Adjustment to be applied to electricity rates for the  
15 period July 1, 2005 to June 30, 2006; and

16

17 **WHEREAS** on June 6, 2005 Hydro filed an Application requesting that, upon approval of NP's  
18 application for rate changes, the Board make an Order approving Hydro's rates as set out in the  
19 Schedules attached to the Application for Island Interconnected customers (Rate Class 1.1, 2.1,  
20 2.2, 2.3, 2.4 and 4.1), Isolated Rural Domestic customers (Rate Class 1.2D) and for Isolated  
21 Rural Street and Area Lighting (Rate Class 4.1D), to be implemented July 1, 2005; and

22

1 **WHEREAS** on June 7, 2005 Hydro filed a Revised Schedule B – Isolated Rural Customers  
2 (Pages 1-2) to the Application; and

3

4 **WHEREAS** by Order No. P.U. 16 (2005) the Board approved changes to NP’s rates as a result  
5 of the Rate Stabilization Adjustment and Municipal Tax Adjustment; and

6

7 **WHEREAS** the Board is satisfied that the rates as filed by Hydro as Schedules A and B of its  
8 filing for certain Island Interconnected customers, certain Isolated Rural Domestic customers and  
9 for certain Isolated Rural Street and Area Lighting as proposed by Hydro are based on the rates  
10 approved by the Board for NP in Order No. P.U. 16 (2005) and should be approved as filed; and

11

12 **WHEREAS** on June 15, 2005 Hydro filed an Application requesting approval of rates for NP  
13 that reflect a change to the Rate Stabilization Plan component of the rates; and

14

15 **WHEREAS** the Board is satisfied that the rates as filed by Hydro as Schedule B of its  
16 Application for approval of the rates to be charged to NP reflect the change to the Rate  
17 Stabilization Plan component of the rate set out in the methodology prescribed in Board Order  
18 P.U. 40 (2003) and should be approved as filed.

19

1 **IT IS THEREFORE ORDERED THAT:**

- 2 1. The Board hereby approves the Schedule of Rates for Hydro's Island Interconnected  
3 customers, attached hereto as Schedule A, and the Schedule of Rates for Hydro's  
4 Isolated Rural Domestic customers and for Isolated Rural Street and Area Lighting,  
5 attached hereto as Schedule B, to be effective for consumption on and after July 1,  
6 2005.
- 7 2. The Board hereby approves the Schedule of Rates for Hydro's retail customer, NP,  
8 attached hereto as Schedule C, to be effective as of July 1, 2005.

**DATED** at St. John's, Newfoundland and Labrador this 16<sup>th</sup> day of June 2005.

---

Robert Noseworthy,  
Chair & Chief Executive Officer.

---

Darlene Whalen, P.Eng.,  
Vice-Chairperson.

---

G. Cheryl Blundon,  
Board Secretary.

**SCHEDULE A**

**ORDER NO. P. U. 17 (2005)**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 1.1**

**DOMESTIC**

**Availability:**

For Service to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

**Rate:** (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... \$15.69 per month  
Energy Charge:  
All kilowatt-hours ..... @8.458¢ per kWh  
Minimum Monthly Charge ..... \$15.69

**Discount:**

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

**General:**

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 2.1**

**GENERAL SERVICE 0 - 10 kW**

**Availability:**

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

**Rate:** (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... \$18.00 per month  
Energy Charge:  
All kilowatt-hours ..... @10.855¢ per kWh  
  
Minimum Monthly Charge: Single Phase..... \$18.00  
Three Phase..... \$36.00

**Discount:**

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

**General:**

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 2.2**

**GENERAL SERVICE 10 - 100 kW (110 kVA)**

**Availability:**

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

**Rate:** (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: .....\$20.73 per month

**Demand Charge:**

\$8.36 per kW of billing demand in the months of December, January, February and March and \$7.61 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

**Energy Charge:**

First 150 kilowatt-hours per kW of billing demand..... @8.664¢ per kWh  
All excess kilowatt-hours..... @5.758¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 15.4 cents per kWh plus the Basic Customer Charge, but not less than Minimum Monthly Charge.

**Minimum Monthly Charge:**

Single Phase .....\$20.73 per month  
Three Phase: .....\$36.00 per month

**Discount:**

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

**General:**

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**



**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 2.3**

**GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA**

**Availability:**

For Service where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

**Rate:** (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: .....\$93.31 per month

**Demand Charge:**

\$7.23 per kVA of billing demand in the months of December, January, February and March and \$6.48 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

**Energy Charge:**

First 150 kilowatt-hours per kVA of billing demand,  
up to a maximum of 30,000 kilowatt-hours..... @ 8.294¢ per kWh  
All excess kilowatt-hours..... @ 5.636¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 15.4 cents per kWh plus the Basic Customer Charge.

**Discount:**

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

**General:**

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 2.4**

**GENERAL SERVICE 1000 kVA AND OVER**

**Availability:**

For Service where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

**Rate:** (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: .....\$186.64 per month

**Billing Demand Charge:**

\$6.85 per kVA of billing demand in the months of December, January, February and March and \$6.10 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

**Energy Charge:**

First 100,000 kilowatt-hours..... @ 6.955¢ per kWh  
All excess kilowatt-hours..... @ 5.534¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 15.4 cents per kWh plus the Basic Customer Charge.

**Discount:**

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

**General:**

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE No. 4.1**

**STREET AND AREA LIGHTING SERVICE**

**Availability:**

For Street and Area Lighting Service in the Rural Island Interconnected area and the L'Anse au Loup system, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

**Monthly Rate:** (Including Municipal Tax and Rate Stabilization Adjustment)

	<b>SENTINEL / STANDARD</b>
<b>MERCURY VAPOUR</b>	
250W ( 9,400 lumens)	\$17.89
<b>HIGH PRESSURE SODIUM <sup>1</sup></b>	
100W ( 8,600 lumens)	14.41
150W (14,400 lumens)	17.89
250W (23,200 lumens)	23.46
400W (45,000 lumens)	30.65

<sup>1</sup> For all new installations and replacements.

**Special poles used exclusively for lighting service**

Wood..... \$ 6.48

**General:**

Details regarding conditions of service are provided in the Rules and Regulations.

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

**SCHEDULE B**

**ORDER NO. P. U. 17 (2005)**

**NEWFOUNDLAND AND LABRADOR HYDRO**

**RATE 1.2D**

**DOMESTIC DIESEL**

**Availability:**

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for service to a domestic unit or to buildings or facilities which are on the same Serviced premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately. All churches, schools, and community halls in the diesel service areas are also subject to this rate.

**Rate:** (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... \$15.69 per month

Energy Charge:

*First Block (See Table Below)* kilowatt-hours per month.....@8.458 ¢ per kWh

*Second Block (See Table Below)* kilowatt-hours per month .....@10.324 ¢ per kWh

All kWh over 1000 kilowatt-hours per month ..... @13.996 ¢ per kWh

	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>Jun.</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>
<i>First Block</i>	1000	1000	900	900	800	800	700	700	700	800	900	1000
<i>Second Block</i>	0	0	100	100	200	200	300	300	300	200	100	0

Minimum Monthly Charge ..... \$15.69

**Discount:**

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

**Rate Stabilization Clause:**

This Rate is subject to the Rate Stabilization Adjustment arising from the operation of the Rate Stabilization Clause which forms part of the Schedule of Rates. The adjustment is applicable only to the first block kWh per month.

**Municipal Tax Clause:**

This Rate is subject to the Municipal Tax Adjustment arising from the operation of the Municipal Tax Clause which forms part of the Schedule or Rates.

**General:**

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**RATE No. 4.1D**  
**STREET AND AREA LIGHTING SERVICE DIESEL**

**Availability:**

For Street and Area Lighting Service (excluding Government Departments) throughout the Island and Labrador diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

**Monthly Rate:** (Including Municipal Tax and Rate Stabilization Adjustment)

	<b>SENTINEL / STANDARD</b>
<b>MERCURY VAPOUR</b>	
250W ( 9,400 lumens)	\$17.89
<b>HIGH PRESSURE SODIUM <sup>1</sup></b>	
100W ( 8,600 lumens)	14.41
150W (14,400 lumens)	17.89
250W (23,200 lumens)	23.46
400W (45,000 lumens)	30.65

<sup>1</sup> For all new installations and replacements.

**Special poles used exclusively for lighting service**

Wood..... \$ 6.48

**General:**

Details regarding conditions of service are provided in the Rules and Regulations.  
**This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**SCHEDULE C**

**ORDER NO. P. U. 17 (2005)**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**UTILITY**

**Availability:**

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

**Definitions:**

"Billing Demand"

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

- (a) the highest Native Load less the Generation 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, plus the Weather Adjustment True-up; and
- (b) the Minimum Billing Demand.

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

	kW
Hydraulic Generation Credit	81,550
Thermal Generation Credit	<u>43,900</u>
Total Generation Credit	125,450

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, Newfoundland Power will be provided 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 calculating the associated billing demands for January to December to the highest level that could be sustained.



**NEWFOUNDLAND AND LABRADOR HYDRO**

**UTILITY (Continued)**

“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.

“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; and
- (b) the total generation by NP averaged over the same fifteen-minute periods.

“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 1000)

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, 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.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**UTILITY (Continued)**

**Monthly Rates:**

**Billing Demand Charge:**

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

\$4.65 per kW of billing demand

**Energy Charge:**

First 250,000,000 kilowatt-hours\* ..... @ 3.588 ¢ per kWh

All excess kilowatt-hours\* ..... @ 4.700 ¢ per kWh

**Firming-up Charge:**

Secondary energy supplied by

Corner Brook Pulp and Paper Limited\* ..... @ 0.600 ¢ per kWh

**RSP Adjustment:**

All kilowatt-hours ..... @ 1.145 ¢ per kWh

**\*Subject to RSP Adjustment:**

RSP Adjustment 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.

**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.

**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.

**NEWFOUNDLAND AND LABRADOR HYDRO**

**UTILITY (Continued)**

**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 NP's actual Maximum Native Load.
- (b) Weather adjustment shall be derived from Hydro's general NP native peak demand forecasting model.
- (c) By September 30<sup>th</sup> of each year, Hydro shall provide NP with 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 Environment Canada's weather station data for the St. John's, Gander, and Stephenville airports. NP's regional customer counts shall be used to weight regional weather data. Hydro shall consult with NP to resolve any circumstances arising the availability of, or revisions to, Environment Canada's weather data 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 19 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 on underlying weather data.
- (f) Subject to the availability of Environment Canada weather data, Hydro shall prepare a preliminary estimate of the Weather-Adjusted Native Load by March 15<sup>th</sup> of each year, and a final calculation of Weather-Adjusted Native Load by April 5<sup>th</sup> of each year.

**General:**

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

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