

P.U. 45(2006)

INTERIM RATES ORDER

IN THE MATTER OF the *Electrical Power Control Act*, RSNL, 1994, c. E-5.1 (the “*EPCA*”) and the *Public Utilities Act* RSNL, 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, under Section 70 of the *Act*, changes in the rates to be charged for the supply of power and energy to Newfoundland Power Inc., (Newfoundland Power”), Rural Customers and Industrial Customers; and under Section 71 of the *Act*, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers;

AND IN THE MATTER OF interim rates for Hydro for Labrador Interconnected Customers.

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** on August 3, 2006 Hydro filed its General Rate Application with the Board seeking
6 approval of, among other things, a new schedule of rates, tolls and charges and also seeking
7 approval of changes to certain of its Rules and Regulations; and
8

9 **WHEREAS** on December 6, 2006 Hydro filed a revised General Rate Application (“Revised
10 Application”) incorporating the impact of four agreements between Hydro and the registered
11 Intervenor made as part of a pre-hearing settlement process, including a November 23, 2006
12 Agreement on Labrador Interconnected Rates; and
13

14 **WHEREAS** the rates for Hydro’s Labrador Interconnected customers were last set by Order No.
15 P.U. 37(2005) to be effective for January 1, 2006; and
16

17 **WHEREAS** the impact of the November 23, 2006 agreement as set out in paragraph 5.(6)(j) of
18 the Revised Application is that rates for Hydro’s Labrador Interconnected customers would
19 remain unchanged for 2007; and
20

21 **WHEREAS** the Board has approved rates on an interim basis, based on Hydro’s Revised
22 Application, for Hydro’s other customers to be effective for consumption on and after January 1,
23 2007; and
24

25 **WHEREAS** the Board finds that rates for Hydro’s Labrador Interconnected customers should
26 also be approved on an interim basis to be effective for consumption on and after January 1,
27 2007.
28

29 **IT IS THEREFORE ORDERED THAT:**

30
31
32 The Board hereby approves, on an interim basis, the schedule of rates attached as Schedule “A”
33 to this Order, to be effective for consumption on and after January 1, 2007.
34

DATED at St. John's, Newfoundland and Labrador this 22nd day of December 2006.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P. Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary

SCHEDULE "A"

ORDER NO. P. U. 45(2006)

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1H

DOMESTIC - INTERIM

Availability:

For Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Basic Customer Charge: \$7.00 per month

Energy Charge:

All kilowatt-hours @ 3.25 ¢ per kWh

Minimum Monthly Charge \$7.00

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1H

GENERAL SERVICE 0 - 10 kW - INTERIM

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: \$9.10 per month

Energy Charge:

All kilowatt-hours @ 4.945 ¢ per kWh

Minimum Monthly Charge: Single Phase \$9.10

Three Phase \$20.00

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2H

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

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$2.00 per kW

Energy Charge:

All kilowatt-hours@ 2.268 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than \$20.00 for a three phase service.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3H

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

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.85 per kVA

Energy Charge:

All kilowatt-hours@ 2.014 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4H

GENERAL SERVICE 1000 kVA AND OVER - INTERIM

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.70 per kVA

Energy Charge:

All kilowatt-hours@ 1.729 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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

NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 4.1H
STREET AND AREA LIGHTING SERVICE - INTERIM

Availability:

For Street and Area Lighting Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$ 11.90
HIGH PRESSURE SODIUM ¹	
100W (8,600 lumens)	8.75
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

¹ Only High Pressure Sodium fixtures are available for all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... \$ 3.00

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.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1H

SECONDARY ENERGY - INTERIM

Availability:

For Service to Customers on the Labrador Interconnected grid engaged in fuel switching who purchase a minimum of 1 MW load and a maximum of 24 MW, who provide their own transformer and, who are delivered power at primary voltages. Hydro shall supply Secondary Energy to the Customer at such times and to the extent that Hydro has Churchill Falls electricity available in excess of the amount it requires for its own use, and to meet its commitments and sales opportunities, present and future, for firm energy. Moreover, Hydro may interrupt or reduce the supply of Secondary Energy at its sole discretion for any cause whatsoever. The energy delivered shall be used solely for the operation of the equipment engaged in fuel switching.

Energy Charge:

The energy charge shall be calculated monthly based on:

EITHER:

- A. The Customer's cost of fuel (cents per litre) most recently delivered to the Customer including fuel additives, if any, in accordance with the following formula:

Secondary Energy Rate = Constant Factor x Fuel Cost/Litre x 90%

$$\text{Constant Factor} = \frac{3413 \text{ BTU/kWh} \times A \times B}{C \times D}$$

Where:

- A = Customer's Electric Boiler Efficiency
B = Transformer and Losses Adjustment Factor
C = BTU/Litre of the Customer's fuel
D = Customer's Oil-fired Boiler Efficiency

OR:

- B. The price equivalent to that negotiated for the sale of energy to non-regulated customers, as adjusted for losses.

WHICHEVER IS GREATER.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1H (continued)

SECONDARY ENERGY - INTERIM

Prior to the commencement of service, the Customer will provide to Hydro the rate component values for insertion in the pricing formula for Secondary Energy. If subsequent changes to any of these rate components are required, the Customer will provide them to Hydro as soon as practicable. Hydro may require that these rate component values be verified.

Communications

The Customer and Hydro shall each designate a position within their respective staffs to be responsible for communications as to changes in the cost of the fuel delivered to the Customer. Hydro will contact the Customer's designate on or before the second working day of each month at which time the Customer's designate will inform Hydro of the fuel cost. If this information is unavailable to Hydro for any reason, Hydro will use the previous month's fuel cost and make the adjustment to the correct cost in the following month's billing.

Power Factor

If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at the Customer's expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

General:

Insofar as they are not inconsistent with the forgoing, the conditions of service provided in the Rules and Regulations shall apply to Customers in this rate class.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1W

DOMESTIC - INTERIM

Availability:

For Service throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Basic Customer Charge: \$5.75 per month
Energy Charge:
All kilowatt-hours @ 2.290 ¢ per kWh
Minimum Monthly Charge \$5.75

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1W

GENERAL SERVICE 0 - 10 kW - INTERIM

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: \$9.10 per month

Energy Charge:

All kilowatt-hours @ 3.754 ¢ per kWh

Minimum Monthly Charge: Single Phase..... \$9.10

Three Phase..... \$20.00

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2W

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

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$2.00 per kW

Energy Charge:

All kilowatt-hours@ 2.268 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than \$20.00 for a three phase service.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3W

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

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, 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:

Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.85 per kVA

Energy Charge:

All kilowatt-hours@ 2.014 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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

NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 2.4W
GENERAL SERVICE 1000 kVA AND OVER - INTERIM

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:

The maximum demand registered on the meter in the current month@ \$1.70 per kVA

Energy Charge:

All kilowatt-hours@ 1.729 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1W

STREET AND AREA LIGHTING SERVICE - INTERIM

Availability:

For Street and Area Lighting Service throughout the Labrador City and Wabush Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR¹	
250W (9,400 lumens)	\$ 8.86
HIGH PRESSURE SODIUM²	
100W (8,600 lumens)	7.97
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

¹ Fixtures previously owned by the Town of Wabush as of September 1, 1985, and transferred to Hydro in 1987.

² Only High Pressure Sodium fixtures are available for all new installations and replacements installed after September 1, 2002.

Special poles used exclusively for lighting service

Wood\$ 3.00

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.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.11W

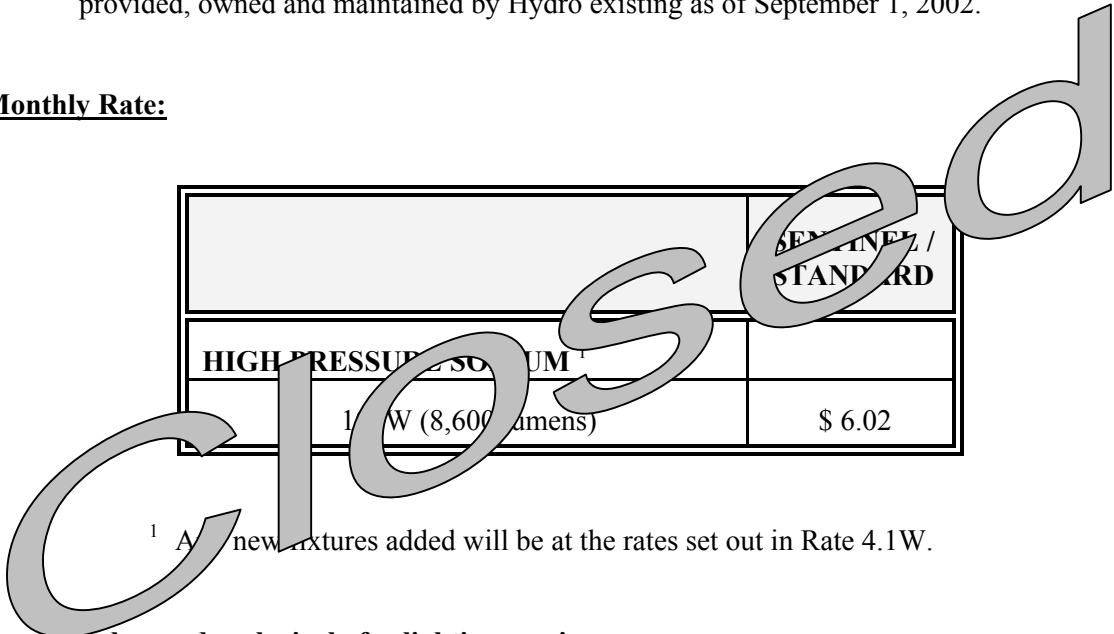
STREET AND AREA LIGHTING SERVICE - INTERIM

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro existing as of September 1, 2002.

Monthly Rate:

	SENSELESS / STANDARD
HIGH PRESSURE SODIUM	
1 W (8,600 lumens)	\$ 6.02



¹ All new fixtures added will be at the rates set out in Rate 4.1W.

Special poles used exclusively for lighting service

Wood \$ 3.00

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.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.12W

STREET AND AREA LIGHTING SERVICE - INTERIM

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	\$ 3.83

Special poles used exclusively for lighting service

Wood \$ 3.00

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.