NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD
NO. P. U. 33(2010)

IN THE MATTER OF the *Electrical Power Control Act*, SNL 1994, Chapter E-5.1 (the "*EPCA*") and the *Public Utilities Act,* RSNL 1990, Chapter P-47 (the "*Act*") and regulations thereunder;

AND

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro") for approval of changes in the rates to be charged for the supply of power and energy to certain Labrador Interconnected customers and related changes in the Rate Stabilization Plan Rules, (the "Application"), pursuant to Sections 70 and 71 of the *Act*

WHEREAS Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and

WHEREAS on November 25, 2010 Hydro applied for approval of changes to the rates, rules and regulations for the supply of power and energy to certain Labrador Interconnected customers and for approval of related changes to the Rate Stabilization Plan rules; and

WHEREAS in Order No. P.U. 8(2007), issued on April 12, 2007, the Board accepted the proposal of Hydro in relation to the phase-in of uniform rates for Hydro's Labrador Interconnected customers over the years 2008-2011 and directed Hydro to file an application in accordance with the phase-in no later than November 30 each year for approval of changes to the rates, rules and regulations in the subsequent year to effect the approved phase-in; and

WHEREAS on December 12, 2007 Hydro filed an application seeking approval of changes to the rates, rules and regulations to be effective January 1, 2008 for certain Labrador Interconnected customers in relation to the approved phase-in of uniform rates for Labrador Interconnected customers; and

WHEREAS on December 21, 2007 the Board issued Order No. P. U. 33(2007) approving the proposals set out in the application on an interim basis, noting that given the late filing of the application there was insufficient time to complete a full review prior to the proposed effective date of January 1, 2008; and

WHEREAS in Order No. P. U. 4(2008) the Board approved, on a final basis, the rates, rules and regulations approved on an interim basis in Order No. P. U. 33(2007); and

WHEREAS on December 11, 2008 Hydro filed an application seeking approval of rates, rules and regulations to be effective January 1, 2009 for certain Labrador Interconnected customers in relation to the approved phase-in of uniform rates for Labrador Interconnected customers; and

WHEREAS on December 22, 2008 the Board issued Order No. P. U. 34(2008) approving the proposals set out in the December 11, 2008 application; and

WHEREAS on November 30, 2009 Hydro filed an application seeking approval of changes to rates, rules and regulations to be effective January 1, 2010 for certain Labrador Interconnected Customers in relation to the approved phase-in of uniform rates for Labrador Interconnected Customers; and

WHEREAS on December 7, 2009 Hydro filed revisions to certain schedules in the November 30, 2009 application to correct errors subsequently identified; and

WHEREAS on December 21, 2009 the Board issued Order No. P. U. 45(2009) approving the proposals set out in the November 30, 2009 application; and

WHEREAS in the Application, which was filed on November 25, 2010 in accordance with Order No. P. U. 8(2007), Hydro seeks approval of rates, rules and regulations for certain Labrador Interconnected customers effective January 1, 2011 to complete the approved phase-in of uniform rates; and

WHEREAS a full review of the Application and the attached schedules has been completed and the Board is satisfied that the proposed rates are consistent with the approved phase-in of uniform rates for Hydro's Labrador Interconnected customers and that the related proposed changes to the rules and regulations appropriately reflect the monthly amount of the 2011 automatic rate adjustment in the Rural Rate Alteration in the Rate Stabilization Plan; and

WHEREAS the approved phase-in of uniform rates for the Labrador Interconnected System will be completed with the approval of the proposed rates, rules and regulations for January 1, 2011; and

WHEREAS the Board is satisfied that it is reasonable and appropriate to approve the proposed rates, rules and regulations, effective January 1, 2011.

IT IS THEREFORE ORDERED THAT:

1. The change of the monthly amount of the 2011 automatic rate adjustment in the Rural Rate Alteration in the Rate Stabilization Plan from ($47,847) to ($98,295) is approved, as attached in Schedule A.
2. The Schedule of Rates for certain Labrador Interconnected customers, as attached in Schedule B, is approved, effective January 1, 2011.
3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 15th day of December 2010.

Andy Wells
Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

G. Cheryl Blundon
Board Secretary

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro) is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- customer load (Utility and Island Industrial); and
- rural rates.

The formulae used to calculate the Plan's activity are outlined below. Positive values denote amounts owing from customers to Hydro whereas negative values denote amounts owing from Hydro to customers.

Section A: Hydraulic Production Variation

1. **Activity:**
   Actual monthly production is compared with the Test Year Cost of Service Study in accordance with the following formula:

   $$\{(A - B) \div C\} \times D$$

   Where:

   A = Test Year Cost of Service Net Hydraulic Production (kWh)
   B = Actual Net Hydraulic Production (kWh)
   C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
   D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)

2. **Financing:**
   Each month, financing charges, using Hydro's approved Test Year weighted average cost of capital, will be calculated on the balance.

3. **Hydraulic Variation Customer Assignment:**
   Customer assignment of hydraulic variations will be performed annually as follows:

   $$(E \times 25\%) + F$$

   Where:

   E = Hydraulic Variation Account Balance as of December 31, excluding financing charges
   F = Financing charges accumulated to December 31

   The total amount of the Hydraulic Customer Assignment shall be removed from the Hydraulic Variation Account.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

4. **Customer Allocation:**
The annual customer assignment will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the hydraulic customer assignment which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Newfoundland Power and Island Industrial customer allocations shall be included with the Newfoundland Power and Island Industrial RSP balances respectively as of December 31 each year. The Labrador Interconnected Hydraulic customer allocation shall be written off to Hydro's net income (loss).

Section B: Fuel Cost Variation, Load Variation and Rural Rate Alteration

1. **Activity**

1.1 Fuel Cost Variations

This is based on the consumption of No. 6 Fuel at the Holyrood Generating Station:

$$(G - D) \times H$$

Where:

D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)
G = Monthly Actual Average No. 6 Fuel Cost ($Can /bbl.)
H = Monthly Actual Quantity of No. 6 Fuel consumed less No. 6 fuel consumed for non-firm sales (bbl.)

1.2 Load Variations

Firm: Firm load variation is comprised of fuel and revenue components. The load variation is determined by calculating the difference between actual monthly sales and the Test Year Cost of Service Study sales, and the resulting variance in No. 6 fuel costs and sales revenues. It is calculated separately for Newfoundland Power firm sales and Industrial firm sales, in accordance with the following formula:

$$(I - J) \times \{(D \div C) - K\}$$

Where:

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

I = Actual Sales, by customer class (kWh)
J = Test Year Cost of Service Sales, by customer class (kWh)
K = Firm energy rate, by customer class

Secondary: Secondary load variation is based on the revenue variation for Utility Firmed-Up Secondary energy sales compared with the Test Year Cost of Service Study, in accordance with the following formula:

$$(J - I) \times L$$

Where:
I = Actual Sales (kWh)
J = Test Year Cost of Service Sales (kWh)
L = Secondary Energy Firming Up Charge

1.3 Rural Rate Alteration

(a) Newfoundland Power Rate Change Impacts:
This component is calculated for Hydro's rural customers whose rates are directly or indirectly impacted by Newfoundland Power's rate changes, with the following formula:

$$(M - N) \times O$$

Where:

M = Cost of Service rate [1]
N = Existing rate
O = Actual Units (kWh, bills, billing demand)

(b) Rural Labrador Interconnected Automatic Rate Adjustments:
This component reflects the impact of the automatic rate adjustments for Hydro's rural customers on the Labrador Interconnected system, which arise from the phase-in of the application of the credit from secondary energy sales to CFB Goose Bay to the rural deficit.

Monthly adjustments will be subject to revision when a new Test Year Cost of Service is approved by the Public Utilities Board for Hydro. The amount of the automatic rate adjustment is ($98,295).

1

- Hydro's schedule of rates for its rural customers not affected by the December 6th, 2006 Government directive.
- For customers affected by the December 6th, 2006 Government directive, the Cost of Service rate equals the phased-in 2007 Forecast Cost of Service Rates for diesel rate classes 1.2D, 2.1D and 2.2D.
- No Rural Rate Alternation will arise from the phase-in of 2007 Forecast Cost of Service rates for the customers affected by the December 6th, 2006 Government directive.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

2. **Monthly Customer Allocation: Load and Fuel Activity**
Each month, the load variation will be assigned to the customer class for which the load variation occurred.

Each month, the year-to-date total for fuel price variation will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The year-to-date portion of the fuel price variation which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The current month's activity for Newfoundland Power, Island Industrials and regulated Labrador Interconnected customers will be calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month. The current month's activity allocated to regulated Labrador Interconnected customers will be removed from the Plan and written off to Hydro's net income (loss).

3. **Monthly Customer Allocation: Rural Rate Alteration Activity**
Each month, the rural rate alteration will be allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study. The portion allocated to regulated Labrador Interconnected will be removed from the Plan and written off to Hydro's net income (loss).

4. **Plan Balances**
Separate plan balances for Newfoundland Power and for the Island Industrial customer class will be maintained. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

Section C: Fuel Price Projection

A fuel price projection will be calculated to anticipate forecast fuel price changes and to determine fuel riders for the rate adjustments. For industrial customers, this will occur in October each year, for inclusion with the RSP adjustment effective January 1. For Newfoundland Power, this will occur in April each year, for inclusion with the RSP adjustment effective July 1.

1. Industrial Fuel Price Projection:

In October each year, a fuel price projection for the following January to December shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(S - T) \times U\} - V] \times W$$

Where:

S = the September month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following January to December

T = Hydro's average Test Year contract discount (US $/bbl)

U = the monthly average of the $Cdn / $US Bank of Canada Noon Exchange Rate for the month of September

V = average Test Year Cost of Service purchase price for No. 6 Fuel ($Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

The industrial customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of September and is the ratio of Industrial Firm invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of an estimate of the fuel rider based on 12 months-to-date kWh sales to the end of September will be reported to industrial customers, Newfoundland Power, and the Public Utilities Board, by the 10th working day of October.

2. Newfoundland Power Fuel Price Projection:

In April each year, a fuel price projection for the following July to June shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

$$[\{(X - T) \times Y\} - V] \times W$$

Where:

T = Hydro's average Test Year contract discount (US $/bbl)

V = average Test Year Cost of Service purchase price for No. 6 Fuel ($Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year. For the 2007 Test Year, test year barrels are reduced by 589,208 based on the reduction in forecast Island Industrial customer load caused by the shutdown of one of the paper machines at Corner Brook Pulp and Paper and the shutdown of Abitibi Consolidated (Grand Falls).

X = the average of the March month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following July to December, and the most recent long-term PIRA Energy Group average annual forecast for No. 6 fuel prices at New York Harbour for the following January to June.

Y = the monthly average of the $Cdn / $US Bank of Canada Noon Exchange Rate for the month of March.

The Newfoundland Power customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of March and is the ratio of Newfoundland Power Firm and Firmed-Up Secondary invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy. For the 12 months-to-date (April 2008 - March 2009) Industrial Firm invoiced energy is reduced by 87,991,636 kWh to reflect the forecast reduction in Abitibi Consolidated (Grand Falls) load.

The amount of the forecast fuel price change, in Canadian dollars, and the details of the resulting fuel rider applied to the adjustment rate will be reported to Newfoundland Power, industrial customers, and the Public Utilities Board, by the 10th working day of April.

Section D: Adjustment

1. **Newfoundland Power**
   As of March 31 each year, Newfoundland Power's adjustment rate for the 12-month period commencing the following July 1 is determined as the rate per kWh which is projected to collect:

   Newfoundland Power March 31 Balance

   less projected recovery / repayment of the balance for the following three months (if any), estimated using the energy sales (kWh) for April, May and June from the previous year

   plus forecast financing charges to the end of the 12-month recovery period (i.e., June in the following calendar year),

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

divided by the 12-months-to-date firm plus firmed-up secondary kWh sales to the end of March.

A fuel rider shall be added to the above adjustment rate, based on the Newfoundland Power Fuel Price Projection amount (as per Section C.2 above) divided by 12-months-to-date kWh sales to the end of March.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values.

Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

2. **Island Industrial Customers**
As of December 31 each year, the adjustment rate for industrial customers for the 12-month period commencing January 1 is determined as the rate per kWh which is projected to collect:

Industrial December 31 Balance

plus forecast financing charges to the end of the following calendar year,

divided by 12-months-to-date kWh sales to the end of December.

A fuel rider shall be added to the above adjustment rate, based on the Industrial Fuel Price Projection (as per Section C.1 above) amount divided by 12-months-to-date kWh sales to the end of December.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values. Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

Section E: Historical Plan Balances:

1. **August 2002 Balance:**
Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at August 2002 will be recovered over a 5-year collection period, with adjustment rates established each December 31, commencing December 31, 2002. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year annual weighted average cost of capital.

Newfoundland Power
The adjustment rate for each year of the five-year adjustment period will be determined as follows:

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

$$A = (B - C + D) \div E \div F$$

where

A = adjustment rate ($ per kWh) for the 12-month period commencing the following July 1.
B = Balance December 31
C = projected recovery to the following June 30 (if any), estimated using the most recent energy sales (kWh) for the period January to June.
D = projected financing charges to the following June 30
E = number of years remaining in the adjustment period
F = energy sales (kWh) (firm and firmed-up secondary) to Newfoundland Power for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

Island Industrial Customers, excluding Teck Cominco Limited [Exempted pursuant to Order No. P.U.1(2007)]
The adjustment rate for each year of the five-year adjustment period will be determined as follows:

$$G = H \div I \div J$$

where

G = adjustment rate ($ per kWh) for the 12-month period commencing the following January 1.
H = Balance December 31
I = number of years remaining in the adjustment period
J = firm energy sales (kWh) to Industrial Customers, excluding sales to Teck Cominco Limited, for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

2. **RSP Balance, December 31, 2003:**
Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at December 31, 2003 will be consolidated with the outstanding August 2002 customer balances as of December 31, 2003, and will be included with the Newfoundland Power and Island Industrial customer balances respectively for rate-setting purposes as of December 31, 2003.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1L

DOMESTIC

Availability:

For Service throughout the Labrador 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: .....$7.15 per month

Energy Charge:
All kilowatt-hours .....@ 3.280 ¢ per kWh

Minimum Monthly Charge $7.15

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. 2.1L

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador 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: .....$10.45 per month

Energy Charge:
All kilowatt-hours .....@ 5.240 ¢ per kWh

Minimum Monthly Charge: Single Phase $10.45
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. 2.2L

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador 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 .....@ $2.20 per kW

Energy Charge:
All kilowatt-hours .....@ 2.433 ¢ 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. 2.3L

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador 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 ....@ $2.00 per kVA

Energy Charge:
All kilowatt-hours .....@ 2.103 ¢ 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. 2.4L

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador 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 .....@ $1.75 per kVA

Energy Charge:
All kilowatt-hours .....@ 1.733 ¢ 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. 4.1L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador 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[1]	
250W (9,400 lumens)	$ 13.50
HIGH PRESSURE SODIUM [2]	
100W (8,600 lumens)	10.00
150W (14,400 lumens)	13.50
250W (23,200 lumens)	17.80
400W (45,000 lumens)	23.00

[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 ..... $ 3.40

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. 4.11L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador 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 existing as of September 1, 2002.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	$ 6.75

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

Special poles used exclusively for lighting service

Wood ..... $ 3.25

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. 4.12L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected 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)	$ 4.10

Special poles used exclusively for lighting service

Wood ..... $ 3.40

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. 5.1L

SECONDARY ENERGY

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. One (1) cent less than the New York Mercantile Exchange (NYMEX) settlement price for New York Independent System Operator (NYISO) Zone A Swap Peak electricity after the end of trading on the 19th day of the previous month, converted to Canadian dollars using the exchange rate at the closing of the same day.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1L

SECONDARY ENERGY

WHICHEVER IS GREATER

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 other inputs and make the adjustment to the correct values in the following month's billing.

Hydro will inform the Customer of the value of part B of the energy charge calculation on the first business day following the 21st day of the month preceding the month for which the rate is being set.

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.