

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 8(2011)

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

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland Power Inc. for an order of the
10 Board approving proposals arising from a
11 review of its retail rates.

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14 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly
15 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public
16 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and

17
18 **WHEREAS** Newfoundland Power has, in consultation with the Consumer Advocate and
19 Newfoundland and Labrador Hydro (“Hydro”), conducted a review of its Domestic and General
20 Service rates, in accordance with a settlement agreement filed in Newfoundland Power’s 2008
21 general rate application, and Board Orders No. P.U. 32(2007), and P.U. 43(2009) (the “Retail
22 Rate Review”); and

23
24 **WHEREAS** on March 15, 2011, following the completion of the Retail Rate Review,
25 Newfoundland Power submitted an application (the “Application”) proposing to implement an
26 optional seasonal rate for Domestic customers, effective July 1, 2011 (“Optional Seasonal Rate”)
27 and to conduct a study to evaluate time-of-day rates over a two-year period (the “TOD Rate
28 Study”); and

29
30 **WHEREAS** the Application seeks approval of i) the Optional Seasonal Rate, ii) a revenue and
31 cost recovery account to address the revenue impacts of the Optional Seasonal Rate and the TOD
32 Rate Study, and iii) the 2011 capital expenditures of \$125,000 required to facilitate
33 implementation of the Optional Seasonal Rate,; and

34
35 **WHEREAS** on March 23, 2011 requests for information were sent to Newfoundland Power and
36 responses were filed with the Board on March 31, 2011; and

1 **WHEREAS** on March 31, 2011 Hydro advised that it did not intend to participate in the process
2 relating to the Application; and
3

4 **WHEREAS** on April 5, 2011 the Consumer Advocate advised that he supports the Application
5 and views both the Optional Seasonal Rate and the TOD Rate Study as positive consumer
6 developments; and
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8 **WHEREAS** the Board is satisfied that it is reasonable and appropriate to approve the
9 Application to permit the implementation of the Optional Seasonal Rate and the TOD Rate Study
10 and the recovery of the capital and operational costs associated with these initiatives.
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13 **IT IS THEREFORE ORDERED THAT:**
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- 15 1. The Optional Seasonal Rate, as set out in Schedule A to this order, to be effective July 1,
16 2011 is approved.
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- 18 2. The Optional Seasonal Rate Revenue and Cost Recovery Account, as defined in Schedule
19 B to this order, is approved.
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- 21 3. The proposed supplementary 2011 capital expenditure of \$125,000 to facilitate
22 implementation of the Optional Seasonal Rate is approved.
23
- 24 4. Newfoundland Power shall pay all costs and expenses of the Board in connection with
25 this Application.

DATED at St. John's, Newfoundland and Labrador, this 13th day of April, 2011.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

Barbara Thistle
Assistant Board Secretary

**NEWFOUNDLAND POWER INC.
RATE #1.1S
DOMESTIC SEASONAL - OPTIONAL**

Availability:

Available upon request for Service to Customers served under Rate #1.1 Domestic Service who have a minimum of 12 months of uninterrupted billing history at their current Serviced Premises.

Rate:

The Energy Charges provided for in Rate #1.1 Domestic Service Rate shall apply, subject to the following adjustments:

Winter Season Premium Adjustment (Billing months of December through April):
All kilowatt-hours@ 0.953¢ per kWh

Non-Winter Season Credit Adjustment (Billing Months of May through November):
All kilowatt-hours@ (1.297)¢ per kWh

Special Conditions:

1. An application for Service under this rate option shall constitute a binding contract between the Customer and the Company with an initial term of 12 months commencing the day after the first meter reading date following the request by the Customer, and renewing automatically on the anniversary date thereof for successive 12-month terms.
2. To terminate participation on this rate option on the renewal date, the Customer must notify the Company either in advance of the renewal date or no later than 60 days after the anniversary/renewal date. When acceptable notice of termination is provided to the Company, the Customer's billing may require adjustment to reverse any seasonal adjustments applied to charges for consumption after the automatic renewal date.

Newfoundland Power Inc.

Optional Seasonal Rate Revenue and Cost Recovery Account

This account provides for the deferral of annual costs and revenue effects associated with implementing the Rate #1.1S Domestic Seasonal - Optional Rate and the Time-of-Day Rate Study.

On December 31st of each year from 2011 until further order of the Board, this account shall be charged with: (i) the current year revenue impact of making the Domestic Seasonal - Optional Rate available to customers and (ii) the operating costs associated with implementing the Domestic Seasonal - Optional and the Time-of-Day Rate Study.

The current year revenue impact will equal the difference between the revenue computed based upon Rate #1.1 and the revenue computed based on the Domestic Seasonal - Optional Rate when applied to the current year usage of customers opting to avail of the Domestic Seasonal - Optional Rate.

Disposition of any Balance in this Account

Newfoundland Power shall file an application with the Board no later than the 1st day of March each year for the disposition to the Rate Stabilization Account of any balance in this account.