

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

AN ORDER OF THE BOARD

NO. P.U. 28(2025)

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

IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval of the Conservation and Demand Management Cost Recovery Adjustment and Project Cost Recovery Rider to be charged to Island Industrial Customers effective July 1, 2025.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and

WHEREAS on June 5, 2025 Hydro filed an application for approval to continue with the existing Island Industrial Customer Conservation and Demand Management (“CDM”) Cost Recovery Adjustment of 0.006 cents per kWh and a revised Island Industrial Customer Project Cost Recovery Rider of 1.652 cents per kWh, effective July 1, 2025 (the “Application”); and

WHEREAS in Order Nos. P.U. 49(2016) and P.U. 22(2017) the Board approved the deferral of annual customer energy conservation program costs in a CDM Cost Deferral Account with recovery over a seven-year period through the CDM Cost Recovery Adjustment, to be updated annually to reflect the ongoing amortizations and the deferred CDM program costs for the previous year; and

WHEREAS in Order No. P.U. 37(2022) the Board approved a revised CDM Cost Recovery Adjustment Definition effective January 1, 2023 increasing the amortization period from seven to ten years for both historical balances and annual charges; and

WHEREAS in Order No. P.U. 4(2024), the Board approved the implementation of a Project Cost Recovery Rider for the Island Industrial customers to begin recovery of the Muskrat Falls Project costs; and

WHEREAS on May 7, 2024 the Government of Newfoundland and Labrador issued Order in Council OC2024-062 directing Hydro

(i) to structure any application for Utility rate increases such that retail rate increases to domestic class customers attributable to Hydro shall be targeted at 2.25% per year (“Hydro Target Rate Increase”); and

(ii) that rate increases be structured for other customers subject to Island Interconnected rates in a manner that is compatible with the Hydro Target Rate Increase; and

WHEREAS in Order No. P.U. 17(2024) the Board approved the Island Industrial Customer CDM Cost Recovery Adjustment of 0.006 cents per kWh, to be effective July 1, 2024; and

WHEREAS in Order No. P.U. 7(2025) the Board approved the Island Industrial Customer Project Cost Recovery Rider of 1.384 cents per kWh to be effective January 1, 2025; and

WHEREAS the calculation of the Island Industrial Customer CDM Cost Recovery Adjustment results in no change to the existing charge and Hydro requests that the adjustment continue at 0.006 cents per kWh effective July 1, 2025; and

WHEREAS Hydro proposes an updated Island Industrial Customer Project Cost Recovery Rider of 1.652 cents per kWh, effective July 1, 2025 which Hydro states would increase customer billings by 3.3% which is consistent with the increase to the wholesale rate, approved in Order No. P.U. 22(2025), to reflect the Hydro Target Rate Increase; and

WHEREAS the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”); the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial customers: Corner Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited (“the Island Industrial Customer Group”); Teck Resources Limited; and Linde Canada Inc.; and

WHEREAS the Board issued requests for information which Hydro answered on June 24, 2025; and

WHEREAS on June 27, 2025 Newfoundland Power advised that it did not have any comment; and

WHEREAS on June 27, 2025 the Island Industrial Customer Group submitted that it was satisfied that the proposed rate adjustments are consistent with the Government direction in OC 2024-062; and

WHEREAS no further comments were received by the Board; and

1 **WHEREAS** on July 2, 2025 Hydro filed its reply stating that Newfoundland Power had no
2 comments, and the Island Industrial Customer Group were satisfied that the proposed rate
3 adjustments are consistent with Government direction and requested that the Application be
4 approved; and

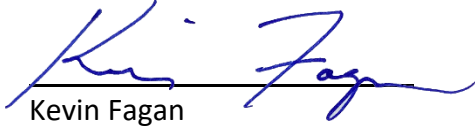
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6 **WHEREAS** the Board is satisfied that the continuation of the Island Industrial Customer CDM Cost
7 Recovery Adjustment of 0.006 cents per kWh will provide for recovery of deferred customer
8 energy conservation program costs in accordance with Order Nos. P.U. 49(2016), P.U. 22(2017)
9 and P.U. 37(2022) and should be approved; and

10
11 **WHEREAS** the Board is also satisfied that the proposed Island Industrial Customer Project Cost
12 Recovery Rider of 1.652 cents per kWh should be approved.

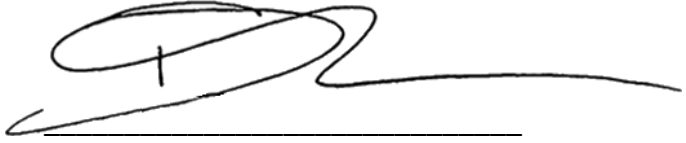
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14
15 **IT IS THEREFORE ORDERED THAT:**

- 16
17 1. The existing Island Industrial Customer Conservation and Demand Management Cost
18 Recovery Adjustment of 0.006 cents per kWh is approved to continue.
19
20 2. The Island Industrial Customer Project Cost Recovery Rider of 1.652 cents per kWh is
21 approved.
22
23 3. The Island Industrial Customer Rates as set out in Schedule A to this Order, to be effective on
24 all electrical consumption on and after July 1, 2025, are approved.
25
26 4. Hydro shall pay all expenses of the Board arising from the Application.

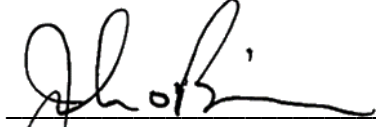
DATED at St. John's, Newfoundland and Labrador, this 9th day of July 2025.



Kevin Fagan
Chair and Chief Executive Officer



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – FIRM**

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Base Rate*

Demand Charge

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$10.73 per kilowatt (kW) per month of billing demand.

Firm Energy Charge

Base Rate.....	@ 4.428¢ per kWh
RSP Adjustment - Current Plan	@ 0.093¢ per kWh
Project Cost Recovery Rider.....	@ 1.652¢ per kWh
CDM Cost Recovery Adjustment	@ 0.006¢ per kWh

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SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – FIRM**

Specifically Assigned Charges

The table below contains the additional annual specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
Corner Brook Pulp and Paper Limited	\$13,311
Braya Renewable Fuels (Newfoundland) GP Inc.	\$107,678
Teck Resources Limited	\$51,789
Vale	\$145,352

***Subject to RSP Adjustments and CDM Cost Recovery Adjustment**

RSP Adjustments 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.

The CDM Cost Recovery Adjustment is updated annually to provide recovery over a ten-year period of costs charged annually to the Conservation and Demand Management (CDM) Cost Deferral Account.

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.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Rate

Non-Firm Energy Charge: Non-Thermal Generation Source (¢ per kWh)

Hydro will inform the Customer of the Non-firm energy charge on the first business day following the 21st day of the month preceding the month for which the rate is being set.

Energy charges shall be the greater of:

- (i) The energy charge applicable to Rate No. 2.4L – General Service 1,000 KVA and Over provided in Hydro's Schedule of Rates. Rules and Regulations; and
- (ii) The applicable On-Peak Energy Rate or Off-Peak Energy Rate

The following formula shall apply to calculate the On-Peak Energy Rate and Off-Peak Energy Rate:

On-Peak Energy Rate:

The non-firm energy charge for the on-peak period for the calendar month shall be calculated monthly based on the weighted average of:

- (iii) the settlement price for NYISO Zone A Day-Ahead Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees; and
- (iv) the settlement price for ISO New England Mass Hub 5 MW Peak Calendar-Month Day-Ahead LMP Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees.

Off-Peak Energy Rate

The non-firm energy charge for the off-peak period for the calendar month shall be calculated monthly based on the weighted average of:

- (v) the settlement price for NYISO Zone A Day-Ahead Off-Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees; and

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

- (vi) the settlement price for ISO New England Mass Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures after the end of trading on the nineteenth day of the previous month, converted to Canadian dollars using the exchange rate of the same day, and adjusted for losses and other market fees.

The weightings applied to each market price to calculate the on-peak and off-peak energy charges will reflect the percentage of kWh exports sold (i.e., including exports from regulated and non-regulated Hydro) based on each market for the previous calendar month.

Peak and Off-Peak Periods

The winter on-peak period is 7 am to 10 pm, Monday to Friday, for the months of December to March and the non-winter peak period is 8 am to 10 pm, Monday to Friday, for the period April to November. The off-peak period will include all other hours.

Non-Firm Energy Charge: Thermal Generation Source (¢ per kWh)

The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 \div (1 - C))\} \times 100$$

- A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used
- B = the conversion factor for the source used (kWh/bbl)
- C = the average system losses on the Island Interconnected grid for the last five years ending in 2016 (3.34%).

The energy sources and associated conversion factors are:

- 1) Holyrood, using No. 6 fuel with a conversion factor of 583 kWh/bbl
- 2) Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
- 3) Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl

Adjustment for Losses for Thermal Generation Source

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.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

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

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – WHEELING**

Availability

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy and whose Industrial Service Agreement so provides.

Rate

Energy Charge

All kWh (net of losses)* @ 0.831¢ per kWh

*For the purpose of this Rate, losses shall be 3.34%, the average system losses on the Island Interconnected Grid for the last five years ending in 2016.

General

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.

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