

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

AN ORDER OF THE BOARD

NO. P.U. 7(2025)

1 **IN THE MATTER OF** the **Electrical Power**
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**,
4 RSNL 1990, Chapter P-47 (the “**Act**”), as
5 amended, and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for
9 approval of Island Industrial Customer rates
10 to: (i) reflect revisions with respect to the
11 Island Industrial Customer Rate Stabilization
12 Plan Adjustments, and (ii) update the Project
13 Cost Recovery Rider.
14
15

16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
17 under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is
18 also subject to the provisions of the **EPCA**; and
19

20 **WHEREAS** Hydro’s Island Industrial Customer rates are adjusted on January 1 each year to update
21 the Rate Stabilization Plan (“RSP”) Current Plan Adjustment pursuant to the RSP Rules for Balance
22 Disposition approved in Order No. P.U. 4(2022); and
23

24 **WHEREAS** in Order No. P.U. 4(2024), the Board approved the implementation of a Project Cost
25 Recovery Rider for the Island Industrial customers to begin recovery of the Muskrat Falls Project
26 costs; and
27

28 **WHEREAS** on January 15, 2025 Hydro filed an application (the “Application”) for approval of:
29 i. a revised Island Industrial Customer RSP Current Plan Adjustment of 0.093 cents
30 per kWh to become effective January 1, 2025; and
31 ii. a revised Project Cost Recovery Rider of 1.384 cents per kWh to become effective
32 January 1, 2025; and
33

34 **WHEREAS** the Application stated that the Island Industrial Customer RSP Current Plan balance as
35 of December 31, 2024 was a debit balance owing from customers of approximately \$0.4 million

1 which results in an RSP Current Plan Adjustment of 0.093 cents per kWh and a projected average
2 billing decrease for Island Industrial customers of approximately 6.0% in 2025; and

3
4 **WHEREAS** a Project Cost Recovery Rider of 1.384 cents per kWh effective January 1, 2025 is
5 proposed to offset the rate decrease resulting from the RSP Current Plan Adjustment and
6 maintain rates at current levels; and

7
8 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);
9 the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial Customers: Corner Brook
10 Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland
11 and Labrador Limited; Linde Canada Inc.; and Teck Resources Limited; and

12
13 **WHEREAS** on January 23, 2025 Newfoundland Power advised the Board that they did not have
14 any comment on the Application; and

15
16 **WHEREAS** no further comments were received by the Board and on January 24, 2025 Hydro filed
17 a reply requesting the Application be approved as submitted; and

18
19 **WHEREAS** the Board is satisfied that the proposed RSP Current Plan Adjustment for 2025 of 0.093
20 cents per kWh is consistent with the RSP Rules for Balance Disposition and should be approved;
21 and

22
23 **WHEREAS** the Board is also satisfied that the proposed Project Cost Recovery Rider of 1.384 cents
24 per kWh is appropriate and should be approved.


25
26
27 **IT IS THEREFORE ORDERED THAT:**

- 28
29 1. The Island Industrial Customer RSP Current Plan Adjustment of 0.093 cents per kWh is
30 approved.
31
32 2. The Project Cost Recovery Rider of 1.384 cents per kWh is approved.
33
34 3. The Island Industrial Customer Rates as set out in Schedule A to this Order, to be effective
35 on all electrical consumption on and after January 1, 2025, are approved.
36
37 4. Hydro shall pay all expenses of the Board arising from the Application.


DATED at St. John's, Newfoundland and Labrador, this 31st day of January 2025.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary

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.....	@ 1.384¢ per kWh
CDM Cost Recovery Adjustment.....	@ 0.006¢ per kWh

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.

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
- (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.

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.