

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

AN ORDER OF THE BOARD

NO. P.U. 23(2021)

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 Power Inc. pursuant to sections
9 70 and 71 of the *Act* for approval of:

- 10 (i) revised rate stabilization and municipal
11 tax adjustments for the period July 1, 2021
12 to June 30, 2022;
13 (ii) a revised schedule of rates, tolls and
14 charges; and
15 (iii) revisions to the Rate Stabilization Clause.
16
17

18 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized
19 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility
20 within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and
21

22 **WHEREAS** on June 10, 2021 Newfoundland Power filed an application (the “Application”)
23 requesting approval of:

- 24 i) a Rate Stabilization Adjustment of 0.329 cents per kWh and a Municipal Tax
25 Adjustment Factor of 1.02559 to be applied to all bills based on electrical
26 consumption on and after July 1, 2021;
27 ii) the schedule of rates, tolls and charges to be effective on all electrical consumption
28 on and after July 1, 2021; and
29 iii) amendments to the rules and regulations governing Newfoundland Power’s provision
30 of service to its customers associated with the conclusion of the “Hydro 2017 GRA
31 Cost Recovery Rider”; and
32

33 **WHEREAS** Newfoundland Power’s Rate Stabilization Clause provides for the calculation of the
34 balance in Newfoundland Power’s Rate Stabilization Account (“RSA”) and the inclusion of a Rate
35 Stabilization Adjustment in the rates charged by Newfoundland Power; and

1 **WHEREAS** the Rate Stabilization Adjustment is to be recalculated on July 1st of each year to
2 reflect: i) the accumulated balance in the RSA as of March 31st of the current year; ii) any changes
3 in the rate to be charged to Newfoundland Power by Newfoundland and Labrador Hydro
4 (“Hydro”) for the coming year as a result of the operation of Hydro’s Rate Stabilization Plan
5 (“RSP”); and, iii) the portion of Hydro’s Conservation and Demand Management costs to be
6 recovered from Newfoundland Power’s customers; and
7

8 **WHEREAS** in Order No. P.U. 22(2021) the Board approved the rate that Hydro will charge
9 Newfoundland Power effective July 1, 2021 as a result of the operation of Hydro’s RSP; and
10

11 **WHEREAS** Newfoundland Power’s Municipal Tax Adjustment Factor is adjusted each year on
12 July 1st to reflect Newfoundland Power’s municipal tax costs for the year; and
13

14 **WHEREAS** the Application proposals would result in the following changes, effective July 1,
15 2021:

- 16 (i) the Rate Stabilization Adjustment would increase to 0.329 cents per kWh from the
17 current adjustment of 0.043 cents per kWh approved in Order No. P.U. 17(2020); and
- 18 (ii) the Municipal Tax Adjustment Factor would increase to 1.02559 from the current
19 factor of 1.02398 approved in Order No. P.U. 17(2020); and
20

21 **WHEREAS** the Application set out that the changes to the Rate Stabilization Adjustment and the
22 Municipal Tax Adjustment Factor for the period July 1, 2021 to June 30, 2022 would result in an
23 overall average rate increase for Newfoundland Power customers of 2.5%; and
24

25 **WHEREAS** the Application also proposed revisions to the Rate Stabilization Clause to
26 discontinue and conclude the recovery from customers of Hydro’s 2017 GRA Cost Recovery
27 Rider, effective May 31, 2021, in accordance with Order No. P.U. 30(2019); and
28

29 **WHEREAS** on June 18, 2021 the Board’s financial consultants, Grant Thornton LLP, filed a
30 report with the Board in relation to the Application stating that it did not note any discrepancies or
31 issues of concern in the calculations or methodology; and
32

33 **WHEREAS** the Application was copied to Hydro and the Consumer Advocate, Dennis Browne,
34 Q.C.; and
35

36 **WHEREAS** on June 18, 2021 Hydro advised the Board that it had no comments on the
37 Application; and
38

39 **WHEREAS** on June 22, 2021 the Consumer Advocate submitted that he was concerned that
40 Hydro’s RSP adjustment and Newfoundland Power’s Rate Stabilization Adjustment are based on
41 different forecasts of the Newfoundland Power load and that the Board cannot make a decision on
42 the Application before this difference is resolved; and
43

44 **WHEREAS** the Consumer Advocated stated that the load assumed in Newfoundland Power’s
45 Rate Stabilization Adjustment and in Newfoundland Power’s 2022/2023 general rate application
46 has a material impact on rates; and

1 **WHEREAS** the Consumer Advocate requested that the decision on the Application be delayed
2 until the issue relating to the Newfoundland Power load forecast is properly resolved or, if the
3 Board accepts Newfoundland Power's load forecast, stated that rebalancing the 2022 and 2023
4 supply costs and revenue from energy sales would result in a 2.7% decrease in the revenue required
5 from customer rates and that this decrease should be applied now in the rate adjustment calculation
6 and not dealt with in the general rate application; and
7

8 **WHEREAS** Newfoundland Power stated, in its June 23, 2021 reply, that the Consumer
9 Advocate's submission that the annual July 1st Rate Stabilization Adjustment is based on forecast
10 load data is an incorrect interpretation of the Rate Stabilization Clause; and
11

12 **WHEREAS** Newfoundland Power also stated that the proposed Rate Stabilization Adjustment is
13 calculated using Newfoundland Power's energy sales over the historical period of April 1, 2020 to
14 March 31, 2021, in accordance with the Rate Stabilization Clause; and
15

16 **WHEREAS** Newfoundland Power submitted that the Consumer Advocate's concern regarding
17 the load forecast is not relevant in the Board's consideration of this Application; and
18

19 **WHEREAS** Newfoundland Power submitted that the customer electricity rates included in the
20 Application to be effective July 1, 2021 were determined in accordance with the Rate Stabilization
21 Clause and Board orders and that the Application should be approved; and
22

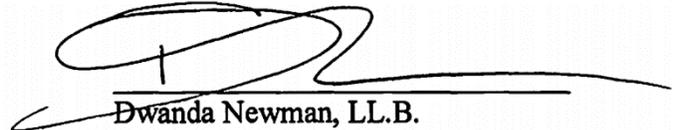
23 **WHEREAS** the Board finds that any potential difference in Hydro's and Newfoundland Power's
24 forecast of the Newfoundland Power load is not relevant to the Application since Newfoundland
25 Power's Rate Stabilization Adjustment is calculated using historical energy sales, not a load
26 forecast; and
27

28 **WHEREAS** the Board has reviewed the Application and is satisfied that the proposed Rate
29 Stabilization Adjustment, the Municipal Tax Adjustment Factor, the Schedule of Rates, Tolls and
30 Charges and the revisions to the Rate Stabilization Clause are in accordance with established rates,
31 rules and regulations and Board orders and should be approved.
32
33

34 **IT IS THEREFORE ORDERED THAT:**
35

- 36 1. The Rate Stabilization Adjustment of 0.329 cents per kWh and the Municipal Tax Adjustment
37 Factor of 1.02559 for the period July 1, 2021 to June 30, 2022 is approved.
38
- 39 2. The Schedule of Rates, Tolls and Charges as set out in Schedule A to this Order, to be effective
40 on all electrical consumption on and after July 1, 2021, including the revised Rate
41 Stabilization Clause, is approved.
42
- 43 3. Newfoundland Power shall pay the expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 29th day of June, 2021.



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary

NEWFOUNDLAND POWER INC.
RATE #1.1
DOMESTIC SERVICE

Availability:

For Service 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: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

Not Exceeding 200 Amp Service	\$16.00 per month
Exceeding 200 Amp Service	\$21.00 per month

Energy Charge:

All kilowatt-hours @12.520¢ per kWh

Minimum Monthly Charge:

Not Exceeding 200 Amp Service	\$16.00 per month
Exceeding 200 Amp Service	\$21.00 per month

Discount:

A discount of 1.5% of the amount of the current month's bill 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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

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.
RATE #2.1
GENERAL SERVICE 0-100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

Unmetered	\$12.16 per month
Single Phase.....	\$20.16 per month
Three phase.....	\$32.16 per month

Demand Charge:

\$9.80 per kW of billing demand in the months of December, January, February and March and \$7.30 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month in excess of 10 kW.

Energy Charge:

First 3,500 kilowatt-hours	@ 12.379¢ per kWh
All excess kilowatt-hours	@ 9.386¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 21.265 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

Unmetered	\$12.16 per month
Single Phase	\$20.16 per month
Three Phase	\$32.16 per month

Discount:

A discount of 1.5% of the amount of the current month's bill 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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #2.3
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service 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: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$49.45 per month

Demand Charge:

\$8.22 per kVA of billing demand in the months of December, January, February and March and \$5.72 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kVA of billing demand,
up to a maximum of 50,000 kilowatt-hours @ 10.584¢ per kWh
All excess kilowatt-hours @ 8.603¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 21.265 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill 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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND POWER INC.
RATE #2.4
GENERAL SERVICE 1000 kVA AND OVER**

Availability:

For Service where the maximum demand occurring in the 12 months ending with the current month is 1000 kilovolt-amperes or greater.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$86.18 per month

Demand Charge:

\$7.88 per kVA of billing demand in the months of December, January, February and March and \$5.38 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 75,000 kilowatt-hours @ 10.218¢ per kWh
All excess kilowatt-hours @ 8.522¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 21.265 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill 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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #4.1
STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service where the electricity is supplied by the Company and all fixtures, wiring and controls are provided, owned and maintained by the Company.

Monthly Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

High Pressure Sodium	Sentinel/Standard	Post Top
100W (8,600 lumens)	\$18.02	\$19.44
150W (14,400 lumens)	22.23	-
250W (23,200 lumens)	30.91	-
400W (45,000 lumens)	42.41	-
Light Emitting Diode		
LED 100	\$16.28	-
LED 150	17.80	-
LED 250	22.83	-
LED 400	25.91	-
Special poles used exclusively for lighting service**		
Wood	\$6.28	
30' Concrete or Metal, direct buried	8.96	
45' Concrete or Metal, direct buried	14.68	
25' Concrete or Metal, Post Top, direct buried	6.68	
Underground Wiring (per run)**		
All sizes and types of fixtures	\$15.30	

** Where a pole or underground wiring run serves two fixtures paid for by different parties, the above rates for such poles and underground wiring may be shared equally between the two parties.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

The Company shall include a rate stabilization adjustment in its rates. This adjustment shall reflect the accumulated balance in the Company's Rate Stabilization Account ("RSA") and any change in the rates charged to the Company by Newfoundland and Labrador Hydro ("Hydro") as a result of the operation of its Rate Stabilization Plan ("RSP") and CDM Cost Recovery Adjustment (collectively, "Hydro's Rate Adjustments").

I. RATE STABILIZATION ADJUSTMENT ("A")

The Rate Stabilization Adjustment ("A") shall be calculated as the total of the Recovery Adjustment Factor and the Fuel Rider Adjustment.

The Recovery Adjustment Factor shall be recalculated annually, effective the first day of July in each year, to amortize over the following twelve (12) month period the annual plan recovery amount designated to be billed by Hydro to the Company, and the balance in the Company's RSA.

The Recovery Adjustment Factor expressed in cents per kilowatt-hour and calculated to the nearest 0.001 cent shall be calculated as follows:

$$\frac{B1 + B2 + C}{D}$$

Where:

- B1 = the annual plan recovery amount designated to be billed by Hydro during the next twelve (12) months commencing July 1 as a result of the operation of Hydro's RSP.
- B2 = the annual plan recovery amount designated to be billed by Hydro during the next twelve (12) months commencing July 1 as a result of the operation of Hydro's CDM Cost Recovery Adjustment.
- C = the balance in the Company's RSA as of March 31st of the current year.
- D = the total kilowatt-hours sold by the Company for the 12 months ending March 31st of the current year.

The Fuel Rider Adjustment shall be recalculated annually, effective the first day of July in each year, to reflect changes in the RSP fuel rider applicable to Newfoundland Power. The Fuel Rider Adjustment expressed in cents per kilowatt-hour and calculated to the nearest 0.001 cent shall be calculated as follows:

$$\frac{E \times F}{D}$$

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

I. RATE STABILIZATION ADJUSTMENT ("A") (Cont'd)

Where:

- D = corresponds to the D above.
- E = the total kilowatt-hours of energy (including secondary energy) sold to the Company by Hydro during the 12 months ending March 31 of the current year.
- F = the fuel rider designated to be charged to Newfoundland Power through Hydro's RSP.

The Rate Stabilization Adjustment ("A") shall be recalculated and be applied as of the effective date of a new wholesale mill rate by Hydro, by resetting the Fuel Rider Adjustment included in the Rate Stabilization Adjustment to zero.

II. RATE STABILIZATION ACCOUNT ("RSA")

The Company shall maintain a RSA which shall be increased or reduced by the following amounts expressed in dollars:

1. At the end of each month the RSA shall be:
 - (i) increased (reduced) by the amount actually charged (credited) to the Company by Hydro during the month as the result of Hydro's Rate Adjustments.
 - (ii) increased (reduced) by the excess cost of fuel used by the Company during the month calculated as follows:

$$(G/H - P) \times H$$

Where:

- G = the cost in dollars of fuel and additives used during the month in the Company's thermal plants to generate electricity other than that generated at the request of Hydro.
- H = the net kilowatt-hours generated in the month in the Company's thermal plants other than electricity generated at the request of Hydro.

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

Where:

P = the 2nd block base rate in dollars per kilowatt-hour paid during the month by the Company to Hydro for firm energy.

(iii) reduced by the price differential of firmed-up secondary energy calculated as follows:

$$(P - J) \times K$$

Where:

J = the price in dollars per kilowatt-hour paid by the Company to Hydro during the month for secondary energy supplied by Deer Lake Power and delivered as firm energy to the Company.

K = the kilowatt-hours of such secondary energy supplied to the Company during the month.

P = corresponds to P above.

(iv) reduced (increased) by the amount billed by the Company during the month as the result of the operation of the Rate Stabilization Clause calculated as follows:

$$\frac{L \times A}{100}$$

Where:

L = the total kilowatt-hours sold by the Company during the month.

A = the Rate Stabilization Adjustment in effect during the month expressed in cents per kilowatt-hour.

(v) increased (reduced) by an interest charge (credit) on the balance in the RSA at the beginning of the month, at a monthly rate equivalent to the mid-point of the Company's allowed rate of return on rate base.

2. On the 31st of December in each year, the RSA shall be increased (reduced) by the amount that the Company billed customers under the Municipal Tax Clause for the calendar year is less (or greater) than the amount of municipal taxes paid for that year.

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

3. The annual kilowatt-hours used in calculating the Rate Stabilization Adjustment to the monthly street lighting rates are as follows:

	Fixture Size (watts)			
	<u>100</u>	<u>150</u>	<u>250</u>	<u>400</u>
High Pressure Sodium	454	714	1,260	1,953
	Fixture Type			
	<u>LED 100</u>	<u>LED 150</u>	<u>LED 250</u>	<u>LED 400</u>
Light Emitting Diode	218	290	475	664

4. On December 31, 2019, the RSA shall be reduced (increased) by the amount that the increase in the Company's revenue for the year resulting from the change in base rates attributable to the flow through of Hydro's wholesale rate change, effective October 1, 2019, is greater (or less) than the amount of the increase in the Company's purchased power expense for the year resulting from the change in the base rate charged by Hydro effective October 1, 2019.

The methodology to calculate the RSA adjustment at December 31, 2019 is as follows:

Calculation of increase in Revenue:

2019 Revenue with Flow-through (Q)	\$ -
2019 Revenue without Flow-through (R)	<u>\$ -</u>
Increase in Revenue (S = Q - R)	\$ -

Calculation of increase in Purchased Power Expense:

2019 Purchased Power Expense with Hydro Increase (T)	\$ -
2019 Purchased Power Expense without Hydro Increase (U)	<u>\$ -</u>
Increase in Purchased Power Expense (V = T - U)	\$ -

Adjustment to Rate Stabilization Account (W = S - V)	\$ -
--	------

Where:

- Q = Normalized revenue from base rates effective October 1, 2019.
- R = Normalized revenue from base rates determined based on rates effective March 1, 2019.
- T = Normalized purchased power expense from Hydro's wholesale rate effective October 1, 2019 (not including Hydro's Rate Adjustments).
- U = Normalized purchased power expense determined based on Hydro's wholesale rate effective July 1, 2018 (not including Hydro's Rate Adjustments).

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

5. On December 31st of each year from 2008 until further order of the Board, the Rate Stabilization Account (RSA) shall be increased (reduced) by the Energy Supply Cost Variance.

This Energy Supply Cost Variance identifies the change in purchased power cost that is related to the difference between purchasing energy at the 2nd block energy charge in the wholesale rate and the test year energy supply cost reflected in customer rates.

The Energy Supply Cost Variance expressed in dollars shall be calculated as follows:

$$\frac{(A - B) \times (C - D)}{100}$$

Where:

- A = the wholesale rate 2nd block charge per kWh.
- B = the test year energy supply cost per kWh determined by applying the wholesale energy rate to the test year energy purchases and expressed in ¢ per kWh.
- C = the weather normalized annual purchases in kWh.
- D = the test year annual purchases in kWh.
6. The RSA shall be adjusted by any other amount as ordered by the Board.
7. On March 31st of each year, beginning in 2014, the Rate Stabilization Account shall be increased on a before tax basis, by the CDM Cost Recovery Transfer.

The CDM Cost Recovery Transfer, expressed in dollars, will be calculated to provide for the recovery of costs charged annually to the Conservation and Demand Management Cost Deferral Account (the "CDM Cost Deferral") over a seven-year period, commencing in the year following the year in which the CDM Cost Deferral is charged to the Conservation and Demand Management Cost Deferral Account.

The CDM Cost Deferral Account will identify the year in which each CDM Cost Deferral was incurred.

NEWFOUNDLAND POWER INC.
RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

The CDM Cost Recovery Transfer for each year will be the sum of individual amounts representing 1/7th of each CDM Cost Deferral, which individual amounts shall be included in the CDM Cost Recovery Transfer for seven years following the year in which the CDM Cost Deferral was recorded.

8. On March 31st of each year, beginning in 2013, the Rate Stabilization Account shall be increased (reduced), on a before tax basis, by the balance in the Weather Normalization Reserve accrued in the previous year.
9. On December 31, 2020, the RSA shall be increased (reduced) by the difference between the total amount of the actual bill credits provided to customers in accordance with the One-Time Bill Credit Plan and the amount of the One-Time Bill Credit Fund, as approved in Order No. P.U. 17 (2020).

The transfer shall be expressed in dollars and calculated as follows:

$$A - B$$

Where:

A = the total dollar amount of the actual bill credits provided to customers in accordance with the One-Time Bill Credit Plan.

B = the One-Time Bill Credit Fund of \$47,723,550.

III. RATE CHANGES

The energy charges in each rate classification shall be adjusted as required to reflect the changes in the Rate Stabilization Adjustment. The new energy charges shall be determined by subtracting the previous Rate Stabilization Adjustment from the previous energy charges and adding the new Rate Stabilization Adjustment. The new energy charges shall apply to all bills based on consumption on and after the effective date of the adjustment.