

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

AN INTERIM ORDER OF THE BOARD

NO. P. U. 33(2007)

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

6
7 **AND**
8

9 **IN THE MATTER OF** the application by
10 Newfoundland and Labrador Hydro (“Hydro”)
11 for approval of changes in the rates to be
12 charged for the supply of power and energy
13 to Labrador Interconnected customers and related
14 changes in the Rate Stabilization Plan Rules,
15 pursuant to Sections 70 and 71 of the *Act*.

16
17
18 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is
19 a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and
20

21 **WHEREAS** on December 12, 2007, Hydro, in accordance with a previously approved plan for the
22 phase-in of uniform rates for the Labrador Interconnected system, filed the within application
23 seeking approval of rates to be charged to the Labrador Interconnected customers as well as related
24 revisions to the Rate Stabilization Plan (“RSP”) Rules; and
25

26 **WHEREAS** on June 7, 2002, in Order No. P.U. 7(2002-2003), the Board approved Hydro’s
27 proposal for uniform rates on the Labrador Interconnected system and ordered Hydro to file, as part
28 of its next general rate application, a five-year plan for the implementation of a uniform rate
29 structure for the Labrador Interconnected system and directed Hydro, as part of its five-year plan, to
30 phase-in the application of the revenue credit from CFB Goose Bay sales to the rural deficit;

31
32 **WHEREAS** on May 21, 2003 Hydro filed its next general rate application proposing, among other
33 things, a plan for the implementation of a uniform rate structure for the Labrador Interconnected
34 system, in accordance with Order No. P.U. 7(2002-2003); and

1 **WHEREAS** on May 4, 2004, the Board issued Order No. P. U. 14(2004) in relation to Hydro's
2 general rate application, accepting Hydro's proposed five year plan to phase-in uniform rates over
3 the period 2004-2008 and to adjust the Rural Rate Alteration component of the RSP to account for
4 the phase-in of the CFB revenue credit to the rural deficit and directing Hydro to file for the
5 approval of rates in accordance with the plan and further to apply no later than November 30 for
6 each subsequent year for rate changes proposed in accordance with the plan; and
7

8 **WHEREAS** on June 11, 2004, in Order No. P.U. 17(2004), the Board approved rates for the
9 Labrador Interconnected customers for July 1, 2004 beginning the phase-in of uniform rates for the
10 Labrador Interconnected system which was approved in Order No. P.U. 14 (2004); and
11

12 **WHEREAS** on December 17, 2004, in Order No. P.U. 51(2004), the Board approved rates for the
13 Labrador Interconnected customers for January 1, 2005 continuing the phase-in of uniform rates for
14 the Labrador Interconnected system; and
15

16 **WHEREAS** on December 16, 2005, in Order No. P.U. 37(2005), the Board approved rates for the
17 Labrador Interconnected customers for January 1, 2006 continuing the phase-in of uniform rates;
18 and
19

20 **WHEREAS** Hydro filed a general rate application with the Board on August 3, 2006, which was
21 revised on December 6, 2006, seeking adjustments to its rates and the approval of changes to certain
22 of its Rules and Regulations for service, including those relating to the Labrador Interconnected
23 customers; and
24

25 **WHEREAS** in the revised general rate application Hydro proposed that the rates for the Labrador
26 Interconnected customers not change in accordance with the earlier approved phase-in and proposed
27 an alternate phase-in period of 2008-2011, inclusive, as outlined in a settlement agreement between
28 Hydro and the Registered Intervenors filed with the Board on November 23, 2006; and
29

30 **WHEREAS** on December 14, 2006, Hydro filed an application seeking, among other things, certain
31 changes to its rules and regulations including those necessary to reflect Hydro's proposals in relation
32 to the rates for the Labrador Interconnected system, specifically seeking changes to the RSP to
33 accommodate Rural Rate Alteration amounts related to the phase-in of the CFB Goose Bay credit to
34 the Rural Deficit for 2008-2011; and
35

36 **WHEREAS** on December 22, 2006 the Board issued Order No P.U. 45(2006) approving interim
37 rates for the Labrador Interconnected customers effective for consumption on and after January 1,
38 2007 in accordance with Hydro's proposals; and
39

40 **WHEREAS** on December 29, 2006 the Board issued Order No. P.U.46(2006) approving, on an
41 interim basis, the proposed changes to the RSP; and

1 **WHEREAS** on April 12, 2007 the Board issued Order No. P. U. 8(2007) in relation to Hydro's
2 general rate application which, among other things:

- 3
4 i. accepted Hydro's proposals in relation to the 2007 rates of the Labrador
5 Interconnected Customers;
6 ii. directed Hydro to file, no later than November 30 of each year, for the approval of
7 rates for the Labrador Interconnected customers for the subsequent year in
8 accordance with the approved phase-in of uniform rates over the years 2008 to 2011;
9 iii. accepted Hydro's proposed methodology for the allocation of the CFB Goose Bay
10 Revenue Credit during the phase-in of uniform rates for Labrador Interconnected
11 customers; and
12 iv. directed Hydro to file supporting calculations for the allocation of the CFB Goose
13 Bay Revenue Credit during the phase-in with each annual application for approval of
14 changes to the Labrador Interconnected customers rates.
15

16 **WHEREAS** on May 17, 2007 in Order No. P.U. 14(2007) the Board approved, on a final basis,
17 rates for 2007 the Labrador Interconnected customers, which were approved on an interim basis in
18 Order No. P.U. 45(2006); and
19

20 **WHEREAS** the within application was filed on December 12, 2007 long after the routine and
21 required filing date of November 30; and
22

23 **WHEREAS** requests for information ("RFIs") were issued in relation to the application on
24 December 19, 2007 and the responses were received by the Board on December 20, 2007; and
25

26 **WHEREAS** there is insufficient time to complete a full review of the application in light of the late
27 filing of the application and the subsequent issuance of RFIs; and
28

29 **WHEREAS** pursuant to Section 75 of the *Act* the Board may issue an interim Order without hearing
30 or notice and where, after a full review the Board determines that excess revenue has been earned by
31 Hydro as a result of the interim Order, require Hydro to refund to customers or to establish a reserve
32 account;
33

34 **WHEREAS** the Board is satisfied that it is appropriate and reasonable to approve, on an interim
35 basis, rates for the Labrador Interconnected customers for 2008 and the related changes to the RSP.

1 **IT IS THEREFORE ORDERED THAT:**
2
3

- 4 1. The decrease of the monthly amount of the 2008 automatic rate adjustment in the Rural Rate
5 Alteration for the Labrador Interconnected customers in the Rate Stabilization Plan from
6 \$92,560 to \$32,433, is approved on an interim basis, as attached in Schedule A.
7 2. Pursuant to Section 75 of the *Act*, the Schedule of Rates for the Labrador Interconnected
8 customers, as attached in Schedule B, is approved on an interim basis, effective January 1,
9 2008.
10 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 21st day of December 2007.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Cheryl Blundon
Board Secretary

Schedule A

Order No. P. U. 33 (2007)

Effective: January 1, 2008

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

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

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 calculated as follows:

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 Alteration 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

$$P = (Q - R) \div 12$$

Where:

P = the monthly amount of the automatic rate adjustment

Q = the CFB Revenue Credit applied to the rural deficit in Hydro's Final 2007 Test Year Cost of Service

R = the CFB Revenue Credit applied to the rural deficit from 2007 to 2011, included in existing rates and outlined in the table below:

	Q	R	Q - R	P
2008	\$ 3,380,796	\$2,991,599	389,197	32,433

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).

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

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.

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.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

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:

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

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.

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.

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

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

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),

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 AND LABRADOR HYDRO
RATE STABILIZATION PLAN

Newfoundland Power

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

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

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 firm-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 Aur Resources Inc. [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 Aur Resources Inc., 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.

Schedule B

Order No. P. U. 33 (2007)

Effective: January 1, 2008

NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 2.2H - (INTERIM)
GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay 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 ¢ 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. 2.3H – (INTERIM)
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay 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 ¢ 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. 2.4H – (INTERIM)

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay 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 ¢ 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. 1.1W – (INTERIM)
DOMESTIC

Availability:

For Service throughout the Labrador City and Wabush 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:\$6.27 per month

Energy Charge:

All kilowatt-hours@ 2.500 ¢ per kWh

Minimum Monthly Charge\$6.27

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. 2.1W – (INTERIM)

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush 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:\$9.10 per month

Energy Charge:

All kilowatt-hours @ 4.111 ¢ per kWh

Minimum Monthly Charge: Single Phase..... \$9.10

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. 2.2W – (INTERIM)

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush 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. 2.3W – (INTERIM)
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush 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. 2.4W – (INTERIM)
GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush 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. 4.1W – (INTERIM)
STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador City and Wabush 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 VAPOUR¹	
250W (9,400 lumens)	\$9.19
HIGH PRESSURE SODIUM²	
100W (8,600 lumens)	8.27
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

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\$ 3.00

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.

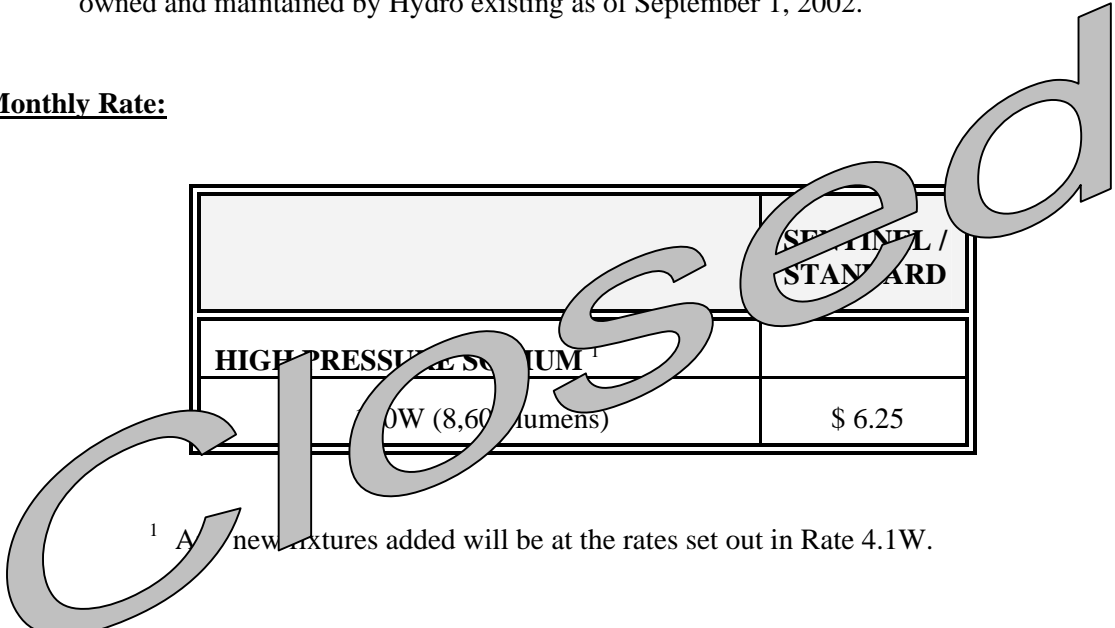
NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 4.11W – (INTERIM)
STREET AND AREA LIGHTING SERVICE (Continued)

Availability:

For Street and Area Lighting Service throughout the Labrador City 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	
LOW (8,600 lumens)	\$ 6.25



¹ All new fixtures added will be at the rates set out in Rate 4.1W.

Special poles used exclusively for lighting service

Wood\$ 3.00

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. 4.12W – (INTERIM)
STREET AND AREA LIGHTING SERVICE (Continued)

Availability:

For Street and Area Lighting Service throughout the Labrador City 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)	\$ 3.97

Special poles used exclusively for lighting service

Wood\$ 3.00

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.