

NO. P.U. 9(2007)

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IN THE MATTER OF the
ELECTRICAL POWER CONTROL ACT RSNL 1994,
Chapter E-5.1 (the “*EPCA*”) and the **PUBLIC**
UTILITIES ACT, RSNL 1990, Chapter P-47
(the “*Act*”) and their subordinate regulations;

AND

IN THE MATTER OF an application by
Newfoundland Power Inc. (“NP”) for an Order
providing final approval of a schedule of rates, tolls and charges on all
electrical usage on and after January 1, 2007.

WHEREAS NP is a corporation organized and existing under the laws of the Province of
Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is also subject
to the provisions of the *EPCA*; and

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) filed a revised general rate
application dated December 6, 2006 (the “Revised Application”) which proposed, among other
things, increased purchased power costs for NP and approval of rates to NP on a final or interim
basis effective January 1, 2007; and

WHEREAS in Order No. P.U. 40(2006), issued December 8, 2006, the Board approved NP’s
rate of return on rate base for 2007 of 8.47% in a range of 8.29% to 8.65% as determined by the
operation of NP’s Automatic Adjustment Formula (the “Formula”) and a revised definition of
the Excess Earnings Account; and

1 **WHEREAS** NP filed an application dated December 8, 2006 for approval of, among other
2 things, revised rates, tolls and charges reflecting the 2007 operation of the Formula as approved
3 in Order No. P.U. 40(2006), and the increased power costs arising as a result of Hydro's Revised
4 Application; and

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6 **WHEREAS** in Order No. P.U. 41(2006) the Board approved the 2007 rates proposed by Hydro
7 in its Revised Application on an interim basis, pursuant to s. 75 of the *Act*, to be effective
8 January 1, 2007; and

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10 **WHEREAS** in Order No. P.U. 42(2006) the Board ordered: (i) interim approval, pursuant to s.
11 75 of the *Act*, of NP's revised rates, tolls and charges flowing from the operation of the Formula
12 and Order No. P.U. 41(2006), to be effective January 1, 2007; and (ii) that NP shall, within 30
13 days of final approval of Hydro's rates flowing from the Revised Application, apply to the Board
14 for approval of final rates; and

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16 **WHEREAS** in Order No. P.U. 8(2007) the Board approved, on a final basis, Hydro's rates to
17 NP as proposed in the Revised Application and approved on an interim basis in Order No. P.U.
18 41(2006), to be effective January 1, 2007; and

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20 **WHEREAS** NP filed an application on April 17, 2007 seeking an Order, pursuant to sections 70
21 and 80 of the *Act*, providing final approval of the rates approved in Order No. P.U. 42(2006) as
22 NP's schedule of rates, tolls and charges for all electrical usage on and after January 1, 2007; and

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24 **WHEREAS** the Board has reviewed NP's application and finds that the proposed rates are
25 consistent with NP's interim rates approved by Board in Order No. P.U. 42(2006) and reflect
26 Hydro's final rates as approved by the Board in Order No. P.U. 8(2007), and should be approved
27 on a final basis for all electrical usage on and after January 1, 2007.

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31 **IT IS THEREFORE ORDERED THAT:**

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33 1. Pursuant to section 70 of the "*Act*", the rates, tolls and charges as set out in Schedule A are
34 approved, to be effective on all electrical usage on and after January 1, 2007.

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36 2. NP shall pay the costs and expenses of the Board in connection with this application.

DATED at St. John's, Newfoundland and Labrador, this 20th day of April 2007.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary

Schedule “A”

Order No: P.U. 9(2007)

Issued: April 20, 2007

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: \$15.59 per month
Energy Charge:
All kilowatt-hours @ 8.935¢ per kWh
Minimum Monthly Charge \$15.59 per month

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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #2.1
GENERAL SERVICE 0-10 kW

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$17.88 per month

Energy Charge:
All kilowatt-hours @ 11.462 ¢ per kWh

Minimum Monthly Charge, Single Phase \$17.88 per month
Three Phase \$35.76 per month

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 does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

**NEWFOUNDLAND POWER INC.
RATE #2.2
GENERAL SERVICE 10-100 kW (110 kVA)**

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$20.60 per month

Demand Charge:

\$8.63 per kW of billing demand in the months of December, January, February and March and \$7.88 per kW 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 kW of billing demand..... @ 9.108 ¢ per kWh
All excess kilowatt-hours @ 6.102 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

Single Phase \$20.60 per month
Three Phase \$35.76 per month

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 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: \$92.73 per month

Demand Charge:

\$7.46 per kVA of billing demand in the months of December, January, February and March and \$6.71 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 30,000 kilowatt-hours @ 8.722 ¢ per kWh
All excess kilowatt-hours @ 5.974 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge.

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 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: \$185.46 per month

Demand Charge:

\$7.05 per kVA of billing demand in the months of December, January, February and March and \$6.30 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 100,000 kilowatt-hours @ 7.334 ¢ per kWh
All excess kilowatt-hours @ 5.866 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 15.9 cents per kWh plus the Basic Customer Charge.

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 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)

	Sentinel/Standard	Post Top
High Pressure Sodium*		
100W (8,600 lumens)	\$14.65	\$15.13
150W (14,400 lumens)	18.22	-
250W (23,200 lumens)	23.92	-
400W (45,000 lumens)	31.28	-

* For all new installations and replacements.

Mercury Vapour

175W (7,000 lumens)	\$14.65	\$15.13
250W (9,400 lumens)	18.22	-
400W (17,200 lumens)	23.92	-

Special poles used exclusively for lighting service**

Wood	\$ 6.44
30' Concrete or Metal, direct buried	10.08
45' Concrete or Metal, direct buried	16.55
25' Concrete or Metal, Post Top, direct buried	8.16

Underground Wiring (per run)**

All sizes and types of fixtures	\$13.37
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** 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.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Availability:

For Customers billed on Rate #2.3 or #2.4 that can reduce their demand ("Curtail") by between 300 kW (330 kVA) and 5000 kW (5500 kVA) upon request by the Company during the Winter Peak Period. The Winter Peak Period is between 8 a.m. and 9 p.m. daily during the calendar months of December, January, February and March. The ability of a Customer to Curtail must be demonstrated to the Company's satisfaction prior to the Customer's availing of this rate option.

Credit for Curtailing:

If the Customer Curtails as requested for the duration of a Winter, the Company shall credit to the Customer's account the Curtailment Credit during May billing immediately following that Winter. The Curtailment Credit shall be determined by one of the following options:

Option 1:

The Customer will contract to reduce demand by a specific amount during Curtailment periods (the "Contracted Demand Reduction"). The Curtailment Credit for Option 1 is determined as follows:

Curtailment Credit = Contracted Demand Reduction x \$29 per kVA

Option 2:

The Customer will contract to reduce demand to a Firm Demand level which the Customer's maximum demand must not exceed during a Curtailment period. The Curtailment Credit for Option 2 is determined as follows:

Maximum Demand Curtailed = (Maximum Winter Demand - Firm Demand)

Peak Period Load Factor =
$$\frac{\text{kWh usage during Peak Period}}{(\text{Maximum Demand during Peak Period} \times 1573 \text{ hours})}$$

Curtailment Credit = ((Maximum Demand Curtailed x 50%) + (Maximum Demand Curtailed x 50% x Peak Period Load Factor)) x \$29 per kVA

Limitations on Requests to Curtail:

Curtailment periods will:

1. Not exceed 6 hours duration for any one occurrence.
2. Not be requested to start within 2 hours of the expiration of a prior Curtailment period.
3. Not exceed 100 hours duration in total during a winter period.

NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)

The Company shall request the Customer to Curtail at least 1 hour prior to the commencement of the Curtailment period.

Failure to Curtail:

Failure to Curtail under Option 1 occurs when a Customer does not reduce its demand by the Contracted Demand Reduction for the duration of a Curtailment period. Failure to Curtail under Option 2 occurs when a Customer does not reduce its demand to the Firm Demand level or below for the duration of a Curtailment period.

The Curtailment Credit will be reduced by 50% as a result of the first failure to Curtail during a Winter. For each additional failure to Curtail, the Curtailment Credit will be reduced by a further 25% of the Curtailment Credit. If the Customer fails to Curtail three times during a Winter, the Customer forfeits 100% of the Curtailment Credit and the Customer will no longer be entitled to service under the Curtailable Service Option.

Notwithstanding the previous paragraph, no Curtailment Credit will be provided if the number of failures to Curtail equals the number of Curtailment requests.

Termination/Modification:

The Company requires six months written notice of the Customer's intention to either discontinue Curtailable Service Option or to modify the Contracted Demand Reduction or Firm Demand level.

General:

Services billed on this Service Option will have approved load monitoring equipment installed. For a customer that Curtails by using its own generation in parallel with the Company's electrical system, all Company interconnection guidelines will apply, and the Company has the option of monitoring the output of the Customer's generation. All costs associated with equipment required to monitor the Customer's generation will be charged to the Customer's account.