

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

AN ORDER OF THE BOARD

NO. P.U. 26(2013)

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

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of the Rate Stabilization Plan rules and components
10 of the rates to be charged to Island Industrial customers
11 pursuant to section 71 of the *Act*.
12

13 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and
14 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
15 is also subject to the provisions of the *EPCA*; and
16

17 **WHEREAS** on April 4, 2013 the Lieutenant Governor in Council, pursuant to section 5.1 of the
18 *EPCA* and section 39 of the *Hydro Corporation Act, 2007*, directed Hydro and the Board that,
19 among other things, on June 30, 2013 the Island Industrial customers' Rate Stabilization Plan be
20 credited with \$56.5 million and that the remaining balance in the January 1, 2007 to June 30,
21 2013 accumulated Load Variation component of the Rate Stabilization Plan be transferred to the
22 credit of the Newfoundland Power Inc. Rate Stabilization Plan; and
23

24 **WHEREAS** on July 16, 2013 the Lieutenant Governor in Council amended the directions to
25 Hydro and the Board by changing June 30, 2013 to August 31, 2013 and changing \$56.5 million
26 to \$49 million; and
27

28 **WHEREAS** on July 30, 2013 Hydro, in compliance with the direction of the Lieutenant
29 Government in Council, filed an application with the Board requesting approval of, among other
30 things, changes to the Island Industrial customers' rates and to the Rate Stabilization Plan rules
31 (the "Application"); and
32

33 **WHEREAS** the Application was circulated to Corner Brook Pulp and Paper Limited, North
34 Atlantic Refining Limited, Teck Resources Limited, Abitibi-Consolidated Company of Canada,
35 Vale Newfoundland and Labrador Limited, Praxair Canada Inc., the Consumer Advocate and
36 Newfoundland Power Inc.; and

1 **WHEREAS** Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited, Teck
2 Resources Limited, Vale Newfoundland and Labrador Limited, the Consumer Advocate and
3 Newfoundland Power Inc. filed a Notice of Intention to Intervene in the Application and Praxair
4 Canada Inc. and Abitibi-Consolidated Company of Canada did not file an intervention; and
5

6 **WHEREAS** the parties agree that the Lieutenant Governor in Council has directed that on
7 August 31, 2013 the Island Industrial customers' Rate Stabilization Plan be credited \$49 million
8 and the Newfoundland Power Inc. Rate Stabilization Plan be credited the remaining balance of
9 the accumulated Load Variation component of the Rate Stabilization Plan; and
10

11 **WHEREAS** the direction of the Lieutenant Governor in Council also requires that as of
12 September 1, 2013 the base rates for the Island Industrial customers, with the exception of Teck
13 Resources Limited, be subject to the same standard industrial rate, equivalent to the existing base
14 rate but excluding the Rate Stabilization Plan adjustment currently in place; and
15

16 **WHEREAS** the proposed rates for the Island Industrial customers, including the rates for Teck
17 Resources Limited, have been challenged by the parties on the basis that there is insufficient
18 information and justification on the record and further that there has been inadequate process to
19 make a final determination at this time; and
20

21 **WHEREAS** the Board is satisfied that it is required to approve as of August 31, 2013: i) the
22 credit of \$49 million to the Island Industrial customers' Rate Stabilization Plan; and, ii) the
23 transfer of the remaining balance in the January 1, 2007 to August 31, 2013 accumulated Load
24 Variation component of the Rate Stabilization Plan to the credit of the Newfoundland Power Inc.
25 Rate Stabilization Plan; and
26

27 **WHEREAS** the Board is also satisfied that as of September 1, 2013 the rates for the Island
28 Industrial customers, including Teck Resources Limited, should be set, on an interim basis, at the
29 existing base rate without the current Rate Stabilization Plan adjustment and further that all other
30 matters directed by the Lieutenant Governor in Council will be addressed in a subsequent Order
31 of the Board.
32

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

3 1. Hydro shall on August 31, 2013:
4

5 i) credit \$49 million to the Island Industrial customers' Rate Stabilization Plan; and
6

7 ii) transfer the remaining balance in the January 1, 2007 to August 31, 2013
8 accumulated Load Variation component of the Rate Stabilization Plan to the credit of
9 the Newfoundland Power Inc. Rate Stabilization Plan.

10
11 2. The rates to be charged to all Island Industrial customers, as set out in Schedule "A" to
12 this Order, to be effective for electrical consumption on and after September 1, 2013, are
13 approved on an interim basis.
14

3. Hydro shall pay the expenses of the Board incurred in connection with this matter.

DATED at St. John's, Newfoundland and Labrador this 30th day of August, 2013.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL - FIRM - INTERIM

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:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.68 per month per kilowatt of billing demand.

Firm Energy Charge:

Base Rate* @ 3.676 ¢ per kWh
RSP Adjustment @ 0.00 ¢ per kWh
Net Energy Rate @ 3.676 ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment 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.

Specifically Assigned Charges:

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

	Annual Amount
Abitibi-Consolidated (Grand Falls)	\$ 1,244
Abitibi-Consolidated (Stephenville)	\$ 104,647
Corner Brook Pulp and Paper Limited	\$ 347,167
North Atlantic Refining Limited	\$ 150,976
Teck Resources Limited	\$ 186,169

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) which applies to electricity bills.