

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

AN ORDER OF THE BOARD

NO. P.U. 17(2024)

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
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7

8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro for the
10 approval of a change in the Conservation and
11 Demand Management Cost Recovery Adjustment
12 to be charged to Island Industrial customers
13 effective July 1, 2024.
14
15

16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
17 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is
18 also subject to the provisions of the **EPCA**; and
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20 **WHEREAS** on June 28, 2024 Hydro filed an application requesting approval to charge a CDM Cost
21 Recovery Adjustment to Island Industrial customers of 0.006 cents per kWh, effective July 1, 2024
22 (the “Application”); and
23

24 **WHEREAS** in Order Nos. P.U. 49(2016) and P.U. 22(2017) the Board approved the deferral of
25 annual customer energy conservation program costs in a Conservation and Demand Management
26 (“CDM”) Cost Deferral Account with recovery over a seven-year period through the CDM Cost
27 Recovery Adjustment, to be updated annually to reflect the ongoing amortizations and the
28 deferred CDM program costs for the previous year; and
29

30 **WHEREAS** in Order No. P.U. 37(2022) the Board approved a revised CDM Cost Recovery
31 Adjustment Definition effective January 1, 2023 increasing the amortization period from seven to
32 ten years for both historical balances and annual charges; and
33

34 **WHEREAS** in Order No. P.U. 19(2023) the Board approved an Island Industrial customers CDM
35 Cost Recovery Adjustment of 0.005 cents per kWh, to be effective July 1, 2023; and

1 **WHEREAS** the Application submitted that approval of the proposed Island Industrial customer
2 CDM Cost Recovery Adjustment would permit recovery of deferred customer energy
3 conservation program costs as provided for in Order No. P.U. 22(2017) and Order No. P.U.
4 37(2022); and

5
6 **WHEREAS** the Application provided information and support in relation to the increase in the
7 proposed CDM Cost Recovery Adjustment from 0.005 cents per kWh to 0.006 cents per kWh; and

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

13
14 **WHEREAS** on July 9, 2024 Newfoundland Power submitted that they did not have any comment
15 on the Application; and

16
17 **WHEREAS** the Board received no other comments in relation to the Application; and

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19 **WHEREAS** on July 11, 2024 Hydro filed a reply requesting the Application be approved as
20 submitted; and

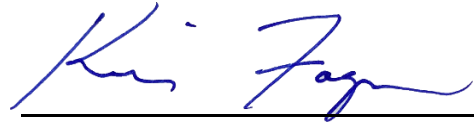
21
22 **WHEREAS** the Board is satisfied that the proposed Island Industrial customer CDM Cost Recovery
23 Adjustment of 0.006 cents per kWh will provide for recovery of deferred customer energy
24 conservation program costs in accordance with Order Nos. P.U. 49(2016), P.U. 22(2017) and P.U.
25 37(2022) and that the Application should be approved.

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27
28 **IT IS THEREFORE ORDERED THAT:**

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30 1. The proposed Island Industrial customer rates, as set out in Schedule A to this Order, to be
31 effective on all electrical consumption on and after July 1, 2024 are approved.

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

DATED at St. John's, Newfoundland and Labrador, this 18th day of July 2024.



Kevin Fagan
Chair and Chief Executive Officer



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Board Secretary

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
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	@ 0.589¢ per kWh
Project Cost Recovery Rider	@ 0.888¢ per kWh
CDM Cost Recovery Rider	@ 0.006¢ per kWh

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INDUSTRIAL – FIRM**

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.

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
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.

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

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%).

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
INDUSTRIAL – NON-FIRM**

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.

**NEWFOUNDLAND AND LABRADOR HYDRO
SCHEDULE OF RATES, RULES AND REGULATIONS
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.