

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

AN INTERIM ORDER OF THE BOARD

NO. P. U. 34(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 an Interim Order, affecting the Rate
12 Stabilization Plan (“RSP”) components of the
13 rates to be charge to Industrial Customers
14 pursuant to Sections 75 of the *Act*.

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

19
20 **WHEREAS** Hydro has advised the Board that it has analyzed the information available in relation
21 to the projected rate changes for its Industrial Customers as a result of the operation of the RSP and
22 has concluded that there may be rate volatility, which is considered significant, due to the projected
23 change in the RSP rate and a significant load change of one of its Industrial Customers; and

24
25 **WHEREAS** Hydro has also advised that it may be prudent to delay establishing final rates for the
26 Industrial Customers to allow for further analysis by Hydro and consideration of impact of the
27 operation of the RSP in the context of the significant load change and the critical level of year end
28 hydraulic balances, which is not available until after December 31, 2007; and

29
30 **WHEREAS** Hydro proposes that the RSP components of the rates currently charged to the
31 Industrial Customers be maintained on an interim basis so that rates to the Industrial Customers
32 would not change until a further Order of the Board; and

33
34 **WHEREAS** Section 75 of the *Act* provides that the Board may make an interim Order unilaterally
35 and without public hearing or notice, approving with or without modification a schedule of rates,
36 tolls and charged submitted by a public utility upon the terms and conditions that it may decide; and

1 **WHEREAS** if, after a full review of the matter, it is determined that excess revenue has been earned
2 by Hydro as a result of the interim Order the Board may order, pursuant to section 75 of the *Act*, that
3 customers of Hydro receive a refund or that the excess revenue be placed in a reserve account for
4 that purpose; and

5 **WHEREAS** the Board is satisfied that granting approval, on an interim basis, of a Schedule of Rates
6 for the Industrial Customers that maintains existing rates is appropriate and reasonable in the
7 circumstances.

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9 **IT IS THEREFORE ORDERED THAT:**

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12 1. Pursuant to Section 75 of the *Act*, the Board approves, on an interim basis, the Industrial
13 Customer rates as attached in Schedule A, to be effective for consumption on and after
14 January 1, 2008, until a final Order of the Board with respect to Industrial Customers' rates
15 for 2008.

16 2. 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. 34 (2007)

Effective: January 1, 2008

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		
Historic Plan	@	1.215 ¢ per kWh**
Current Plan	@	(2.000) ¢ per kWh
Fuel Rider	@	0.000 ¢ per kWh
Total RSP Adjustment.....	@	(0.785) ¢ per kWh
Energy Rate.....	@	2.891 ¢ per kWh
**Aur Resources Inc. Energy rate excluding Historic Plan	@	1.676 ¢ 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.

** Aur Resources Inc. is not subject to Historic Plan component of the RSP Adjustment, in accordance with Order No. P.U. 1 (2007).

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
Aur Resources Inc.	\$ 186,169

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL – FIRM - INTERIM

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.**

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – NON-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:

Non-Firm Energy Charge (¢ per kWh):

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C) \times (1 \div (1 - D))\} \times 100$$

- 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 administrative and variable operating and maintenance charge (10%)
- D = the average system losses on the Island Interconnected grid for the last five years ending in 2005 (2.68%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 630 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:

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.**

NEWFOUNDLAND AND LABRADOR HYDRO
INDUSTRIAL – WHEELING – (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 and whose Industrial Service Agreement so provides.

Rate:

Energy Charge:

All kWh (Net of losses)*@ 0.384 ¢ per kWh

* For the purpose of this Rate, losses shall be 2.68%, the average system losses on the Island Interconnected Grid for the last five years ending in 2005.

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.**