

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

**AN ORDER OF THE BOARD**

**NO. P. U. 15(2008)**

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  
10 by Newfoundland Power Inc. ("Newfoundland Power")  
11 for approval of:

- 12 (i) Rate Stabilization and Municipal Tax Adjustments  
13 to be applied to the rates of Newfoundland Power  
14 for the period July 1, 2008 to June 30, 2009; and  
15 (ii) a Revised Schedule of Rates, Tolls and Charges  
16 reflecting the amended Rate Stabilization and Municipal  
17 Tax Factors, effective July 1, 2008 to June 30, 2009,  
18 pursuant to Section 70 (1) of the *Act*.

19  
20  
21 **WHEREAS** Newfoundland Power is a corporation duly organized and existing under the laws of  
22 the Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is  
23 also subject to the provisions of the *EPCA*; and  
24

25 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") maintains a Retail Rate Stabilization  
26 Plan ("RSP"), the operational guidelines of which are included in the Board of Commissioners of  
27 Public Utilities (the "Board") Report dated August 6, 1985, and amended in Order Nos. P. U.  
28 7(2002-2003), P. U. 40(2003) and P. U. 14(2004); and  
29

30 **WHEREAS** by Order No. P. U. 34(1985) the Board approved the establishment of a Rate  
31 Stabilization Account (“RSA”) by Newfoundland Power, and the Board also approved the inclusion  
32 of a Rate Stabilization Adjustment in the rates charged by Newfoundland Power; and

1 **WHEREAS** the rate stabilization clause included in Newfoundland Power's Schedule of Rates,  
2 Rules & Regulations ("Rate Stabilization Clause") provides for the calculation of the balance in the  
3 RSA and the calculation of the Rate Stabilization Adjustment; and

4 **WHEREAS** the Rate Stabilization Adjustment is to be recalculated on July 1<sup>st</sup> of each year to reflect  
5 i) the accumulated balance in Newfoundland Power's RSA as of March 31<sup>st</sup> of the current year, and  
6 ii) any change in the mill rate charged to Newfoundland Power by Hydro as a result of the operation  
7 of the RSP; and

8  
9 **WHEREAS** the Rate Stabilization Adjustment approved in Order No. P. U. 15(2007) and included  
10 in Newfoundland Power's rates for the period July 1, 2007 to June 30, 2008 was 0.157 cents/kWh;  
11 and

12  
13 **WHEREAS** the Rate Stabilization Adjustment proposed to be included in Newfoundland Power's  
14 rates for the period July 1, 2008 to June 30, 2009 is 0.761 cents/kWh; and

15  
16 **WHEREAS** by Order No. P. U. 17(1987) the Board ordered that municipal taxes be collected  
17 through a Municipal Tax Adjustment ("MTA") factor included in the rates of Newfoundland Power;  
18 and

19  
20 **WHEREAS** the Municipal Tax Clause included in Newfoundland Power's Schedule of Rates, Rules  
21 & Regulations provides for the calculation of the MTA factor and the MTA factor is to be  
22 recalculated on July 1<sup>st</sup> of each year to reflect taxes charged to Newfoundland Power by  
23 municipalities; and

24  
25 **WHEREAS** the MTA factor approved in Order No. P. U. 15(2007) and included in Newfoundland  
26 Power's rates for the period July 1, 2007 to June 30, 2008 was 1.02490; and

27  
28 **WHEREAS** the MTA factor proposed to be included in Newfoundland Power's rates for the period  
29 July 1, 2008 to June 30, 2009 is 1.02359; and

30  
31 **WHEREAS** in Order No. P. U. 10(2008) the Board approved a reduction in Newfoundland Power's  
32 base rates of 0.177% to be effective July 1, 2008; and

33  
34 **WHEREAS** on June 4, 2008 Newfoundland Power filed with the Board an Application with the  
35 attachments set out below, requesting approval of i) the Rate Stabilization Adjustment and MTA  
36 factor to be applied to the rates of Newfoundland Power for the period July 1, 2008 to June 30, 2009,  
37 and ii) a schedule of final customer electricity rates for Newfoundland Power:

- 38  
39 (a) Schedule 1, the calculation of the Rate Stabilization Adjustment of 0.761 cents/kWh  
40 proposed by Newfoundland Power for the period July 1, 2008 to June 30, 2009;  
41 (c) Schedule 2, the calculation of the MTA factor of 1.02359 proposed by  
42 Newfoundland Power in billing customers for the period July 1, 2008 to June 30,  
43 2009;  
44 (d) Schedule 3, the Customer Rates proposed by Newfoundland Power to be effective on  
45 all electrical consumption on and after July 1, 2008 to June 30, 2009; and

1 **WHEREAS** the proposed rates filed with the Application in Schedule 3 incorporate Newfoundland  
2 Power's base rates adjusted in accordance with Order No. P. U. 10(2008) and the Rate Stabilization  
3 and Municipal Tax adjustments for which approval is sought in the Application; and

4  
5 **WHEREAS** in accordance with the Rate Stabilization Clause and the Municipal Tax Clause, the  
6 Rate Stabilization Adjustment and the MTA factor for the period July 1, 2008 to June 30, 2009 is to  
7 be applied to all electrical consumption on and after July 1, 2008; and

8 **WHEREAS** the Board is satisfied that the Rate Stabilization Adjustment and MTA factor proposed  
9 in the Application will permit cost recovery in accordance with the *Act*, the *EPCA* and Orders of the  
10 Board, and should be approved as filed.

11  
12 **IT IS THEREFORE ORDERED THAT:**

- 13  
14 1. The Rate Stabilization Adjustment of 0.761 cents/kWh and the Municipal Tax Adjustment  
15 factor of 1.02359, to be applied to all bills based on consumption on and after July 1, 2008 to  
16 June 30, 2009, are approved.  
17  
18 2. The rates proposed by Newfoundland Power to be effective on all electrical consumption on  
19 and after July 1, 2008 to June 30, 2009, as set out in Schedule A to this Order, are approved.  
20  
21 3. Newfoundland Power shall pay the expenses of the Board in connection with this  
22 Application.

**DATED** at St. John's, Newfoundland and Labrador, this 24<sup>th</sup> day of June 2008.

---

Andrew Wells  
Chair and Chief Executive Officer

---

Darlene Whalen, P.Eng.  
Vice-Chair

---

Dwanda Newman, LL.B.  
Commissioner

---

G. Cheryl Blundon  
Board Secretary

**Order No. P. U. 15(2008)**

**Schedule A**

**Newfoundland Power Inc.**

**Rate Stabilization and Municipal Tax Adjustments**

**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: ..... \$15.56 per month  
Energy Charge:  
All kilowatt-hours ..... @ 9.631¢ per kWh  
Minimum Monthly Charge ..... \$15.56 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 Stabilization and Municipal Tax Adjustments**

**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: ..... \$17.85 per month

Energy Charge:  
All kilowatt-hours ..... @ 11.609 ¢ per kWh

Minimum Monthly Charge, Single Phase ..... \$17.85 per month  
Three Phase ..... \$35.70 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 Stabilization and Municipal Tax Adjustments**

**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: ..... \$20.55 per month

**Demand Charge:**

\$8.62 per kW of billing demand in the months of December, January, February and March and \$7.12 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..... @ 9.163 ¢ per kWh  
All excess kilowatt-hours..... @ 6.863 ¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 16.3 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge.

**Minimum Monthly Charge:**

Single Phase ..... \$20.55 per month  
Three Phase ..... \$35.70 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 Stabilization and Municipal Tax Adjustments**

**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: ..... \$92.53 per month

**Demand Charge:**

\$7.45 per kVA of billing demand in the months of December, January, February and March and \$5.95 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 ..... @ 9.032 ¢ per kWh  
All excess kilowatt-hours ..... @ 6.714 ¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 16.3 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 Stabilization and Municipal Tax Adjustments**

**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: ..... \$185.08 per month

**Demand Charge:**

\$7.04 per kVA of billing demand in the months of December, January, February and March and \$5.54 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 ..... @ 7.649 ¢ per kWh  
All excess kilowatt-hours ..... @ 6.589 ¢ per kWh

**Maximum Monthly Charge:**

The Maximum Monthly Charge shall be 16.3 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 Stabilization and Municipal Tax Adjustments**

**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)

|                              | <b>Sentinel/Standard</b> | <b>Post Top</b> |
|------------------------------|--------------------------|-----------------|
| <b>High Pressure Sodium*</b> |                          |                 |
| 100W ( 8,600 lumens)         | \$15.43                  | \$16.24         |
| 150W (14,400 lumens)         | 19.50                    | -               |
| 250W (23,200 lumens)         | 25.89                    | -               |
| 400W (45,000 lumens)         | 35.39                    | -               |

\* For all new installations and replacements.

**Mercury Vapour**

|                      |         |         |
|----------------------|---------|---------|
| 175W ( 7,000 lumens) | \$15.43 | \$16.24 |
| 250W ( 9,400 lumens) | 19.50   | -       |
| 400W (17,200 lumens) | 25.89   | -       |

**Special poles used exclusively for lighting service\*\***

|  |         |
|--|---------|
| Wood   | \$ 6.27 |
| 30' Concrete or Metal, direct buried           | 9.26    |
| 45' Concrete or Metal, direct buried           | 14.67   |
| 25' Concrete or Metal, Post Top, direct buried | 7.37    |

**Underground Wiring (per run)\*\***

|                                 |         |
|---------------------------------|---------|
| All sizes and types of fixtures | \$12.35 |
|---------------------------------|---------|

\*\* 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.**

**Rate Stabilization and Municipal Tax Adjustments  
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.

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

**Newfoundland Power Inc.**

**Rate Stabilization and Municipal Tax Adjustments**

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

**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.