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**P. U. 2(2006)**

**IN THE MATTER OF** the *Public Utilities Act*, (R.S.N.L.) 1990, Chapter P-47 (the "*Act*"), and

**AND**

**IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro ("Hydro") for the approval, pursuant to Section 70 (1) of the *Act*, of the Rate Stabilization Plan components of the rates to be charged to Island Interconnected Industrial Customers.

**WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act* and is also subject to the provisions of the *Electrical Power Control Act, 1994*; and

**WHEREAS** Order No. P. U. 40(2003) sets out the manner by which the Rate Stabilization Plan ("RSP") is calculated and applied to the rates charged by Hydro to its Island Interconnected Industrial Customers; and

**WHEREAS** in accordance with Order No. P. U. 40(2003) Hydro provided written notice on October 17, 2005 to the Board and to its Island Interconnected Industrial Customers as to the estimated RSP fuel rider and the estimated 2006 Industrial RSP rates that would apply to this class of customers; and

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2 **WHEREAS** on January 16, 2006 Hydro applied to the Board for approval of the 2006 Industrial  
3 RSP Firm Rates that would apply to this class of customers and for an implementation date of  
4 January 1, 2006; and

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6 **WHEREAS** pursuant to Section 70(1) of the Act, the Board may approve a revised Schedule of  
7 Rates, including an adjustment to the Rate Stabilization components of rates, for Hydro to  
8 change its revenues to manage the balance of the RSP as set out in Order No. P. U. 40(2003);  
9 and

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11 **WHEREAS** the Board has considered Hydro's application and the information and calculations  
12 that accompanied it and is satisfied that the proposed increase in Hydro's rates to the Island  
13 Industrial class of customers is reasonable and prudent and will allow Hydro to manage the RSP  
14 balance in accordance with Order No. P. U. 40(2003).

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17 **IT IS THEREFORE ORDERED THAT:**

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19 1. The Board hereby approves the Firm Rates for Hydro's Island Interconnected Industrial  
20 Customers attached hereto as Schedule "A" to be effective for consumption on or after  
21 January 1, 2006.

22 2. Unless and until by further Order of the Board, the Board approves, pursuant to Section  
23 75 of the *Act* Interim Firm Rates for Aur Resources Inc., attached hereto as Schedule  
24 "B", to be effective for consumption on or after January 27, 2006.

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

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**DATED** at St. John's, Newfoundland and Labrador, this 27<sup>th</sup> day of January 2006.

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Robert Noseworthy,  
Chair & Chief Executive Officer.

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Darlene Whalen, P.Eng.,  
Vice-Chair.

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G. Cheryl Blundon,  
Board Secretary.

**Schedule “A”**

**Order No. P. U. 2(2006)**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**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.

**Rate:**

**Demand Charge:**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.17 per month per kilowatt of billing demand.

**Firm Energy Charge:**

Base Rate* .....	@ 2.675 ¢ per kWh
RSP Adjustment.....	@ 1.545 ¢ per kWh
Energy Rate.....	@ 4.220 ¢ 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.

	<b>Annual Amount</b>
Abitibi-Consolidated (Grand Falls)	\$ 1,968
Abitibi-Consolidated (Stephenville)	\$ 103,019
Corner Brook Pulp and Paper Limited	\$ 176,442
North Atlantic Refining Limited	\$ 174,011

**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.**

**Schedule “B”**

**Order No. P. U. 2(2006)**

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**INDUSTRIAL – FIRM**  
**AUR RESOURCES INC.**

**Rate:**

**Demand Charge:**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$6.17 per month per kilowatt of billing demand.

**Firm Energy Charge:**

Base Rate*	.....	@ 2.675 ¢ per kWh
RSP Adjustment	.....	@ 1.545 ¢ per kWh
Energy Rate	.....	@ 4.220 ¢ 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 specifically assigned charges for customer plant in service that is specifically assigned to Aur Resources Inc. shall be \$150,000 per annum.

**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 calculation and application of these rates are outlined in the Industrial Service Agreements signed with other Members of the Industrial Customer class.

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