

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

AN ORDER OF THE BOARD

NO. P. U. 19(2010)

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*”), and regulations thereunder;

5
6 **AND**
7

8 **IN THE MATTER OF** an application
9 by Newfoundland Power Inc. for approval
10 of rate stabilization and municipal tax
11 adjustments for the period July 1, 2010
12 to June 30, 2011 and a schedule of rates,
13 tolls and charges incorporating
14 these adjustments (the “*Application*”).
15
16

17 **WHEREAS** Newfoundland Power Inc. (“*Newfoundland Power*”) is a corporation duly organized
18 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within
19 the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and
20

21 **WHEREAS** on May 27, 2010 Newfoundland Power filed the *Application* requesting approval of:
22 i) the Rate Stabilization Adjustment to be applied to customer rates for the period
23 July 1, 2010 to June 30, 2011; and
24 ii) the Municipal Tax Adjustment Factor to be applied to customer rates for the
25 period July 1, 2010 to June 30, 2011; and
26 iii) revised customer rates to be effective on all electrical consumption on and after
27 July 1, 2010; and
28

29 **WHEREAS** Newfoundland Power maintains a Rate Stabilization Account (“*RSA*”) which, among
30 other things, is the mechanism used to flow through changes to the rates charged to Newfoundland
31 Power by Newfoundland and Labrador Hydro (Hydro) as a result of the operation of Hydro’s Rate
32 Stabilization Plan (“*RSP*”); and

33 **WHEREAS** the Rate Stabilization Adjustment is recalculated on July 1st of each year to reflect: i)

1 the accumulated balance in Newfoundland Power's RSA as of March 31st of the current year; and, ii)
2 any change in the rates to be charged to Newfoundland Power by Hydro for the coming year as a
3 result of the operation of the RSP; and
4

5 **WHEREAS** in Order No. P. U. 6(2008) the Board approved an amendment to the Rate Stabilization
6 Clause included in Newfoundland Power's *Schedule of Rates, Rules and Regulations* adding general
7 language that contemplates the inclusion of additional amounts in the RSA as ordered by the Board
8 from time to time; and
9

10 **WHEREAS** in Order No. P. U. 43(2009) the Board approved a Pension Expense Variance Deferral
11 Account with any balance in this account to be charged or credited to the RSA as of March 31st in
12 each year; and
13

14 **WHEREAS** the credit to the RSA from the Pension Expense Variance Deferral Account as of
15 March 31, 2010 was \$639,185; and
16

17 **WHEREAS** in Order No. P. U. 18(2010) the Board approved a revised RSP rate to be charged to
18 Newfoundland Power by Hydro as of July 1, 2010; and
19

20 **WHEREAS** Newfoundland Power's current Rate Stabilization Adjustment as approved in Order
21 No. P. U. 26(2009) for the period July 1, 2009 to June 30, 2010 is 0.066 cents/kWh; and
22

23 **WHEREAS** the Rate Stabilization Adjustment proposed in the Application to be included in
24 Newfoundland Power's rates for the period July 1, 2010 to June 30, 2011 is 0.230 cents/kWh, as
25 calculated in Schedule 1 to the Application; and
26

27 **WHEREAS** by Order No. P. U. 17(1987) the Board ordered that Newfoundland Power's municipal
28 tax costs be collected through a Municipal Tax Adjustment Factor to be reflected in rates each year
29 on July 1st; and
30

31 **WHEREAS** the Municipal Tax Adjustment factor approved in Order No. P. U. 26(2009) and
32 included in Newfoundland Power's rates for the period July 1, 2009 to June 30, 2010 was 1.02447;
33 and
34

35 **WHEREAS** the Municipal Tax Adjustment factor proposed in the Application to be included in
36 Newfoundland Power's rates for the period July 1, 2010 to June 30, 2011 is 1.02474, as calculated in
37 Schedule 2 of the Application; and
38

39 **WHEREAS** the rates proposed in the Application to be effective on all electrical consumption on
40 and after July 1, 2010, as set out in Schedule 3 of the Application, incorporate the proposed Rate
41 Stabilization Adjustment and Municipal Tax Adjustments; and
42

43 **WHEREAS** the Board has considered the Application and is satisfied that the proposed Rate
44 Stabilization Adjustment, the Municipal Tax Adjustment factor and the revised schedule of rates,
45 tolls and charges should be approved as filed.

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

- 3 1. The Rate Stabilization Adjustment of 0.230 cents/kWh and the Municipal Tax Adjustment
4 factor of 1.02474 are approved.
5
6 2. The proposed rates to customers of Newfoundland Power, as set out in Schedule A to this
7 Order, are approved, to be effective on all electrical consumption on and after July 1, 2010.
8
9 3. Newfoundland Power shall pay the expenses of the Board in connection with this
10 Application.

DATED at St. John's, Newfoundland and Labrador, this 18th day of June 2010.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

G. Cheryl Blundon
Board Secretary

Order No. P. U. 19(2010)

Schedule A

**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: \$15.57 per month

Energy Charge:
All kilowatt-hours @ 9.512¢ per kWh

Minimum Monthly Charge \$15.57 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 #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:	\$17.87 per month
Energy Charge:	
All kilowatt-hours	@ 11.272 ¢ per kWh
Minimum Monthly Charge, Single Phase	\$17.87 per month
Three Phase	\$35.74 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 #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: \$20.58 per month

Demand Charge:

\$8.63 per kW of billing demand in the months of December, January, February and March and \$7.13 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..... @ 8.784 ¢ per kWh
All excess kilowatt-hours..... @ 6.436 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.8 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

Single Phase \$20.58 per month
Three Phase \$35.74 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 #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: \$92.64 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 @ 8.754 ¢ per kWh

All excess kilowatt-hours @ 6.359¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.8 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 #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: \$185.28 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 @ 7.401 ¢ per kWh
All excess kilowatt-hours @ 6.294 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.8 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 #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)

	Sentinel/Standard	Post Top
High Pressure Sodium*		
100W (8,600 lumens)	\$15.62	\$16.76
150W (14,400 lumens)	20.02	-
250W (23,200 lumens)	27.05	-
400W (45,000 lumens)	37.55	-

* For all new installations and replacements.

Mercury Vapour

175W (7,000 lumens)	\$15.62	\$16.76
250W (9,400 lumens)	20.02	-
400W (17,200 lumens)	27.05	-

Special poles used exclusively for lighting service**

Wood	\$ 6.76
30' Concrete or Metal, direct buried	9.82
45' Concrete or Metal, direct buried	14.95
25' Concrete or Metal, Post Top, direct buried	7.56

Underground Wiring (per run)**

All sizes and types of fixtures	\$11.96
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** 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.
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.
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.