

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

**AN ORDER OF THE BOARD**

**NO. P.U. 21(2018)**

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  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro, pursuant to  
9 section 70 of the *Act* and Order Nos. P.U. 49(2016)  
10 and P.U. 22(2017), for the approval of a change in  
11 the CDM Cost Recovery Adjustment to be charged to  
12 Island Industrial customers effective July 1, 2018.  
13  
14

15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and  
16 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,  
17 and is also subject to the provisions of the *EPCA*; and  
18

19 **WHEREAS** in Order No. P.U. 49(2016) the Board approved Hydro’s proposed deferral of annual  
20 customer energy conservation program costs commencing in 2015 in a CDM Cost Deferral  
21 Account and proposed recovery of the existing balance of deferred CDM costs as of December 31,  
22 2013 plus the annual costs over a seven-year period through the CDM Cost Recovery Adjustment;  
23 and  
24

25 **WHEREAS** in Order No. P.U. 22(2017) the Board approved Hydro’s Rules and Regulations for  
26 CDM Cost Recovery, which require the CDM Cost Recovery Adjustment to be updated annually  
27 reflecting the ongoing amortizations and the deferred CDM program costs for the previous year;  
28 and  
29

30 **WHEREAS** in Order No. P.U. 26(2017) the Board approved final rates for Island Industrial  
31 customers, including a CDM Cost Recovery Adjustment of 0.009 cents per kWh to be effective  
32 from July 1, 2017 to June 30, 2018; and  
33

34 **WHEREAS** in Order No. P.U. 7(2018) the Board approved interim rates for Island Industrial  
35 customers, reflecting no change to the CDM Cost Recovery Adjustment; and

1 **WHEREAS** in Order No. P.U. 15(2018) the Board approved an interim Utility rate, including the  
2 Utility customer CDM Cost Recovery Adjustment; and

3  
4 **WHEREAS** on June 4, 2018 Hydro filed an application requesting approval of an increase of  
5 0.001 cents per kWh in the CDM Cost Recovery Adjustment to be charged to Island Industrial  
6 customers effective July 1, 2018 (the “Application”); and

7  
8 **WHEREAS** the Application included a report *2017 Conservation and Demand Management*  
9 *Report March 29, 2018* providing support for the 2017 expenditures transferred to the CDM Cost  
10 Deferral Account; and

11  
12 **WHEREAS** the Application was copied to: Newfoundland Power Inc. (“Newfoundland Power”);  
13 the Consumer Advocate, Dennis Browne, Q.C.; Corner Brook Pulp and Paper Limited, NARL  
14 Refining Limited Partnership, and Vale Newfoundland & Labrador Limited (the “Industrial  
15 Customer Group”); Teck Resources Limited and Praxair Canada Inc.; and

16  
17 **WHEREAS** on June 13, 2018 the Industrial Customer Group advised they have no objection to  
18 the Application and Newfoundland Power advised it had no comments on the Application; and

19  
20 **WHEREAS** Hydro filed a reply on June 15, 2018 requesting the Application be approved as  
21 submitted; and

22  
23 **WHEREAS** the Board received no other comments in relation to the Application; and

24  
25 **WHEREAS** the Board is satisfied that the proposed Island Industrial customer CDM Cost  
26 Recovery Adjustment of 0.010 cents per kWh will provide for recovery of deferred customer  
27 energy conservation costs, as approved in Order Nos. P.U. 49(2016) and P.U. 22(2017), and should  
28 be approved.

29  
30  
31 **IT IS THEREFORE ORDERED THAT:**

- 32  
33 1. The proposed Island Industrial customer rates, to be effective on all electrical consumption on  
34 and after July 1, 2018, as set out in Schedule A to this Order, are approved on an interim basis.  
35  
36 2. Hydro shall pay the expenses of the Board incurred in connection with this matter.

**DATED** at St. John's, Newfoundland and Labrador, this 22<sup>nd</sup> day of June, 2018.



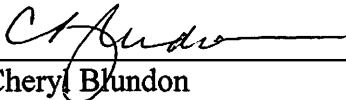
---

Darlene Whalen, P. Eng., FEC  
Chair and CEO



---

Dwanda Newman, LL.B.  
Vice Chair



---

Cheryl Blundon  
Board Secretary

**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.

**Base Rate\*:**

**Demand Charge:**

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$9.95 per kilowatt (kW) per month of billing demand.

**Firm Energy Charge:**

Base Rate ..... @ 3.971 ¢ per kWh

**RSP Adjustment:**

**RSP Adjustment:**

Current Plan ..... @ (0.285) ¢ per kWh

Fuel Rider ..... @ (0.024) ¢ per kWh

Total RSP Adjustment – All kilowatt-hours ..... @ (0.309) ¢ per kWh

**CDM Cost Recovery Adjustment** ..... @ 0.010 ¢ per kWh

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**INDUSTRIAL – FIRM (INTERIM)**

**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.

	<b>Annual Amount</b>
Corner Brook Pulp and Paper Limited	\$ 870,898
North Atlantic Refining Limited	\$ 89,293
Teck Resources Limited	\$ 199,399
Vale	\$ 480,243

**\*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 seven 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) 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 2013 (3.47%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 618 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)\* ..... @ 0.423 ¢ per kWh

\*For the purpose of this Rate, losses shall be 3.47%, the average system losses on the Island Interconnected Grid for the last five years ending in 2013.

**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.**