

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

AN ORDER OF THE BOARD

NO. P.U. 25(2019)

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*”), as amended, and regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by Newfoundland
8 and Labrador Hydro to delay implementation of its
9 July 1, 2019 Utility Rate Stabilization Plan and
10 Conservation and Demand Management rate changes.
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13 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
14 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
15 and is also subject to the provisions of the *EPCA*; and
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17 **WHEREAS** in Order No. P.U. 15(2018) the Board approved Hydro’s interim Utility rates to be
18 effective on all electrical consumption on and after July 1, 2018 as well as revised Rate
19 Stabilization Plan (RSP) Rules; and
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21 **WHEREAS** Hydro’s RSP Rules require a Utility RSP adjustment to become effective July 1,
22 2019 and its Conservation and Demand Management (“CDM”) Rules approved in Order No. P.U.
23 22(2017) also provide for a CDM Cost Recovery adjustment in July; and
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25 **WHEREAS** in Order No. P.U. 2(2019) the Board approved Newfoundland Power Inc.’s
26 (“Newfoundland Power”) rates and rules and regulations, including its Rate Stabilization Clause;
27 and
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29 **WHEREAS** Newfoundland Power’s Rules and Regulations provide that its rates are adjusted each
30 year, effective July 1st, to reflect (i) the accumulated balance in Newfoundland Power’s Rate
31 Stabilization Account as of March 31st of the current year, (ii) any change in the mill rate charged
32 to Newfoundland Power by Hydro as a result of the operation of Hydro’s RSP, (iii) the new fuel
33 rider designated by Hydro, and (iv) the annual recalculation of the municipal tax adjustment to
34 reflect taxes paid by Newfoundland Power to municipalities (the “RSA/MTA” Rate Adjustments);
35 and
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37 **WHEREAS** on April 23, 2019 Hydro, in accordance with its RSP Rules and CDM Rules, filed an
38 application for Utility RSP and CDM rate adjustments to be effective July 1, 2019; and

1 **WHEREAS** in Order No. P.U. 16(2019) dated May 7, 2019 the Board stated that in the interest
2 of ensuring the orderly implementation of rates resulting from Hydro's 2017 general rate
3 application Hydro should address the 2019 Utility RSP and CDM rate adjustments as part of its
4 revised filing in its 2017 general rate application and further the Board set out that to the extent
5 that the proposed rates could not be implemented for July 1, 2019, necessary changes could be
6 requested to the rules to address the required July 1 adjustment; and

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8 **WHEREAS** on May 14, 2019 Hydro in accordance with Order No. P.U. 16(2019) withdrew the
9 application for July 1, 2019 Utility RSP and CDM rate adjustments; and

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11 **WHEREAS** on May 23, 2019 the Board requested that both Hydro and Newfoundland Power file
12 a proposal to delay implementation of the July 1, 2019 RSP adjustments to coincide with
13 implementation of customer rates resulting from Hydro's 2017 general rate application; and

14
15 **WHEREAS** on June 3, 2019 Hydro wrote to advise that it would file an application for delay of
16 the Utility RSP and CDM Adjustments; and

17
18 **WHEREAS** on June 6, 2019 Newfoundland Power proposed that the implementation of its 2019
19 RSA/MTA Rate Adjustments be delayed to coincide with the date of implementation of customer
20 rates resulting from Hydro's 2017 general rate application and that its existing customer rates
21 remain in effect until new rates are approved by the Board; and

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23 **WHEREAS** Newfoundland Power explained that following Board approval of rates flowing from
24 Hydro's 2017 general rate application it would submit new customer rates for the Board's
25 approval, incorporating the approved Utility wholesale rate and the 2019 RSA/MTA Rate
26 Adjustments and further Newfoundland Power suggested that to allow sufficient time for the
27 orderly implementation of new customer rates the implementation date should occur no earlier
28 than 30 business days following the Board's approval of rates resulting from Hydro's 2017 general
29 rate application; and

30
31 **WHEREAS** on June 7, 2019 the Board advised that Hydro should file an application to suspend
32 the Utility RSP and CDM rate adjustments for July 1, 2019 to coincide with the date of
33 implementation of final customer rates resulting from Hydro's 2017 general rate application and
34 that a delay in the implementation of Newfoundland Power's RSA/MTA Rate Adjustments is
35 reasonable in the circumstances and that Newfoundland Power's proposals with respect to these
36 adjustments would be addressed in its order with respect to Hydro's application; and

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38 **WHEREAS** on June 10, 2019 Hydro filed an application requesting approval of: i) the
39 continuation of its Utility Customer RSP Fuel Rider of 0.423 cents per kWh and RSP Current Plan
40 Rider of (0.296) cents per kWh; ii) the continuation of the Utility Customer CDM Rider of 0.22
41 cents per kWh; and iii) a delay in the implementation of the July 1, 2019 Utility RSP and CDM
42 rate changes until such time as the implementation of final rates resulting from the 2017 general
43 rate application (the "Application"); and

44
45 **WHEREAS** the Application was copied to: Newfoundland Power Inc.; the Consumer Advocate,
46 Dennis Browne, Q.C.; a group of Island Industrial customers: Corner Brook Pulp and Paper
47 Limited, NARL Refining Limited Partnership and Vale Newfoundland and Labrador Limited;
48 Praxair Canada Inc., and Teck Resources Limited; and

1 **WHEREAS** the Board did not receive any comments on the Application; and

2
3 **WHEREAS** the Board is satisfied that the continuation of Hydro's existing Utility Customer RSP
4 Fuel Rider, RSP Current Plan Rider, Utility Customer CDM Rider and the delay in implementation
5 of the July 1, 2019 Utility RSP and CDM rate changes until the implementation of final rates
6 resulting from Hydro's 2017 general rate application is reasonable in the circumstances; and

7
8 **WHEREAS** the Board is also satisfied that Newfoundland Power's 2019 RSA/MTA Rate
9 Adjustments should be delayed until the implementation of final rates resulting from Hydro's 2017
10 general rate application and the current customer rates should continue until a further order of the
11 Board and that the date that new rates are to be effective should be addressed as part of the Board's
12 order in relation to final rates resulting from Hydro's 2017 general rate application.

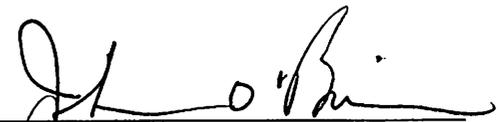
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15 **IT IS THEREFORE ORDERED THAT:**

- 16
17 1. The delay in implementation of Hydro's July 1, 2019 Utility RSP and CDM rate changes and
18 the continuation of the Utility Customer RSP Fuel Rider of 0.423 cents per kWh, the RSP
19 Current Plan Rider of (0.296) cents per kWh, and the Utility Customer CDM Rider of 0.022
20 cents per kWh until such time as the implementation of final rates resulting from Hydro's 2017
21 general rate application is approved.
22
23 2. The delay in implementation of Newfoundland Power's July 1, 2019 RSA/MTA Rate
24 Adjustments and the continuation of the current Newfoundland Power customer rates until the
25 implementation of final rates resulting from Hydro's 2017 general rate application is approved.
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27 3. Hydro shall pay all expenses of the Board arising from this Application.

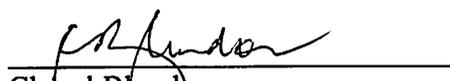
DATED at St. John's, Newfoundland and Labrador, this 25th day of June, 2019.



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary