

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

AN ORDER OF THE BOARD

NO. P.U. 20(2012)

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 by
9 Newfoundland Power Inc. pursuant to Section 70
10 of the *Act* for approval of rate stabilization and
11 municipal tax adjustments for the period
12 July 1, 2012 to June 30, 2013 and a schedule of rates,
13 tolls and charges incorporating the rate stabilization and
14 municipal tax adjustments and a schedule of rates for use
15 in a time of day rate study.

16
17
18 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized
19 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within
20 the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and

21
22 **WHEREAS** on May 25, 2012 Newfoundland Power filed an application (the “Application”)
23 requesting approval on an interim basis of:

- 24
- 25 i) the Rate Stabilization Adjustment to be applied to customer rates for the period
 - 26 July 1, 2012 to June 30, 2013; and
 - 27 ii) the Municipal Tax Adjustment Factor to be applied to customer rates for the
 - 28 period July 1, 2012 to June 30, 2013; and
 - 29 iii) revised customer rates to be effective on all electrical consumption on and after
 - 30 July 1, 2012; and
 - 31 iv) a schedule of rates for use in a time of day rate study; and
- 32

33 **WHEREAS** on June 18, 2012, Newfoundland Power filed an Amended Application seeking
34 approval of the proposals set out in the Application on a final rather than interim basis; and

35 **WHEREAS** the Rate Stabilization Adjustment is applied to customer rates and is recalculated on

1 July 1st of each year to reflect: i) the accumulated balance in Newfoundland Power's Rate
2 Stabilization Account as of March 31st of the current year; and, ii) any change in the rates to be
3 charged to Newfoundland Power by Hydro for the coming year as a result of the operation of
4 Hydro's Rate Stabilization Plan; and

5
6 **WHEREAS** the accumulated balance in Newfoundland Power's Rate Stabilization Account as of
7 March 31, 2011 was subjected to an annual adjustment to reflect the operation of:

- 8
9 i. the Pension Expense Variance Deferral Account, as approved in Order No. P.U.
10 43(2009); and
11 ii. the Other Post Employment Benefits Cost Variance Deferral Account, as approved
12 in Order No. P.U. 31(2010); and
13 iii. the Demand Management Incentive Account, as approved in Order No. P.U.
14 9(2012); and
15 iv. the Optional Seasonal Rate Revenue and Cost Recovery Account, as approved in
16 Order P.U. 10(2012); and
17

18 **WHEREAS** in Order No. P.U. 15(2012) the Board approved, on an interim basis, changes to the
19 rates charged to Newfoundland Power by Hydro as of July 1, 2012 as a result of the operation of
20 Hydro's Rate Stabilization Plan; and
21

22 **WHEREAS** the proposed Rate Stabilization Adjustment to be included in Newfoundland Power's
23 rates for the period July 1, 2012 to June 30, 2013 is 1.770 cents/kWh, replacing the Rate
24 Stabilization Adjustment of 1.010 cents/kWh approved in Order No. P.U. 12(2011); and
25

26 **WHEREAS** the Municipal Tax Adjustment Factor, which is adjusted each year on July 1st to reflect
27 Newfoundland Power's municipal tax costs for the year, is proposed to decrease to 1.02337 for the
28 period of July 1, 2012 to June 30, 2013 from the current factor of 1.02586 which was approved in
29 Order No. P.U. 12(2011); and
30

31 **WHEREAS** in Order No. P.U. 25(2011) the Board ordered that Newfoundland Power's current
32 customer rates approved in Order No. P.U. 12(2011) be approved on an interim basis with effect
33 from January 1, 2012; and
34

35 **WHEREAS** in Order No. P.U. 17(2012) Newfoundland Power's rates, approved on an interim basis
36 for January 1, 2012 in Order No. P.U. 25(2011), were made final; and
37

38 **WHEREAS** the Board has considered the Application and Amended Application and is satisfied
39 that the proposed Rate Stabilization Adjustment, the Municipal Tax Adjustment Factor, the revised
40 schedule of rates, tolls and charges, and the rates for the time of day study should be approved as
41 filed.

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

- 3 1. The Rate Stabilization Adjustment of 1.770 cents/kWh for the period of July 1, 2012 to June
4 30, 2013, is approved.
5
- 6 2. The Municipal Tax Adjustment Factor of 1.02337 for the period of July 1, 2012 to June 30,
7 2013, is approved.
8
- 9 3. Newfoundland Power's Schedule of Rates, Tolls and Charges, as set out in Schedule A to
10 this Order, to be effective on all electrical consumption on and after July 1, 2012, is
11 approved.
12
- 13 4. Newfoundland Power's Schedule of Rates, Tolls and Charges, for customers participating in
14 the time of day rate study, as set out in Schedule B to this Order to be effective on all
15 electrical consumption on and after July 1, 2012, is approved.
16
- 17 5. Newfoundland Power shall pay the expenses of the Board in connection with this
18 Application.

DATED at St. John's, Newfoundland and Labrador, this 22nd day of June , 2012.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary

**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: \$15.68 per month

Energy Charge:
All kilowatt-hours @ 11.171¢ per kWh

Minimum Monthly Charge \$15.68 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 #1.1S
DOMESTIC SEASONAL - OPTIONAL**

Availability:

Available upon request for Service to Customers served under Rate #1.1 Domestic Service who have a minimum of 12 months of uninterrupted billing history at their current Serviced Premises.

Rate:

The Energy Charges provided for in Rate #1.1 Domestic Service Rate shall apply, subject to the following adjustments:

Winter Season Premium Adjustment (Billing months of December through April):

All kilowatt-hours @ 0.953¢ per kWh

Non-Winter Season Credit Adjustment (Billing Months of May through November):

All kilowatt-hours @ (1.297)¢ per kWh

Special Conditions:

1. An application for Service under this rate option shall constitute a binding contract between the Customer and the Company with an initial term of 12 months commencing the day after the first meter reading date following the request by the Customer, and renewing automatically on the anniversary date thereof for successive 12-month terms.
2. To terminate participation on this rate option on the renewal date, the Customer must notify the Company either in advance of the renewal date or no later than 60 days after the anniversary/renewal date. When acceptable notice of termination is provided to the Company, the Customer's billing may require adjustment to reverse any seasonal adjustments applied to charges for consumption after the automatic renewal date.

**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: \$17.99 per month

Energy Charge:
All kilowatt-hours @ 12.943 ¢ per kWh

Minimum Monthly Charge, Single Phase \$17.99 per month
Three Phase \$35.98 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: \$20.71 per month

Demand Charge:

\$8.68 per kW of billing demand in the months of December, January, February and March and \$7.18 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..... @ 10.438 ¢ per kWh
All excess kilowatt-hours..... @ 8.075 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.92 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

Single Phase \$20.71 per month
Three Phase \$35.98 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: \$93.24 per month

Demand Charge:

\$7.50 per kVA of billing demand in the months of December, January, February and March and \$6.00 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 @ 10.409 ¢ per kWh
All excess kilowatt-hours @ 7.999 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.92 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: \$186.48 per month

Demand Charge:

\$7.08 per kVA of billing demand in the months of December, January, February and March and \$5.58 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 @ 9.048 ¢ per kWh
All excess kilowatt-hours @ 7.934 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 16.92 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)	\$16.48	\$17.63
150W (14,400 lumens)	21.28	-
250W (23,200 lumens)	28.96	-
400W (45,000 lumens)	40.41	-

* For all new installations and replacements.

Mercury Vapour

175W (7,000 lumens)	\$16.48	\$17.63
250W (9,400 lumens)	21.28	-
400W (17,200 lumens)	28.96	-

Special poles used exclusively for lighting service**

Wood	\$ 6.81
30' Concrete or Metal, direct buried	9.88
45' Concrete or Metal, direct buried	15.04
25' Concrete or Metal, Post Top, direct buried	7.61

Underground Wiring (per run)**

All sizes and types of fixtures	\$12.03
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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.

**NEWFOUNDLAND POWER INC.
TIME OF DAY RATE STUDY
DOMESTIC SERVICE**

Availability:

Available to Customers served under Rate #1.1 Domestic Service who participate in the Time of Day Rate Study.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge..... \$15.68 per month

Energy Charges:

Winter On-Peak kWh 16.024¢ per kWh
Winter Off-Peak kWh 11.031¢ per kWh
Non-Winter kWh 9.934¢ per kWh

Minimum Monthly Charge..... \$15.68 per month

Winter On-Peak:

The Winter On-Peak period is defined as the hours starting at 8:00 a.m. to 12:00 p.m. and 4:00 p.m. to 8:00 p.m. Monday through Friday for the billing months of December through March (Winter Months).

Winter Off-Peak:

The Winter Off-Peak period is defined as all hours not included above in the On-Peak period including all weekends for the Winter Months.

Non-Winter:

The Non-Winter period is defined as the billing months of April through November.

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.
TIME OF DAY RATE STUDY
GENERAL SERVICE 1000 kVA AND OVER**

Availability:

Available to Customers served under Rate #2.4 General Service 1000 kVA and Over who participate in the Time of Day Rate Study.

Rate: (Includes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge..... \$186.48 per month

Demand Charge:

\$1.83 per kVA of billing demand. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charges:

Winter On-Peak kWh 14.100¢ per kWh
Winter Off-Peak kWh 9.306¢ per kWh
Non-Winter kWh 8.408¢ per kWh

Minimum Monthly Charge \$186.48 per month

Winter On-Peak:

The Winter On-Peak period is defined as the hours starting at 8:00 a.m. to 12:00 p.m. and 4:00 p.m. to 8:00 p.m. Monday through Friday for the billing months of December through March (Winter Months).

Winter Off-Peak:

The Winter Off-Peak period is defined as all hours not included above in the On-Peak period including all weekends for the Winter Months.

Non-Winter:

The Non-Winter period is defined as the billing months of April through November.

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.**