Labrador Industrial Rate Schedule

Availability:

Any person purchasing power, other than a retailer, supplied from the Labrador Interconnected bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and has entered into a contract with Hydro for the purchase of power and energy (a Labrador Industrial Customer).

These rates will apply to power sold by Hydro to Labrador Industrial Customers served from the Labrador Interconnected Grid.

Rate:

Transmission Service

Transmission Demand Charge:

The rate for Firm Power shall be $1.25 per kilowatt of billing demand. The billing demand shall be equal to the customer's declared Power on Order.

Specifically Assigned Transmission Charges:

This rate may include specifically assigned charges upon approval by the Board.

Rates for transmission service are subject to approval of the Board of Commissioners of Public Utilities of Newfoundland and Labrador.

Generation Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreement, shall be $0.43 per month per kilowatt of Billing Demand.

The generation demand charge shall be based upon the most recent Test Year Cost of Service approved for the establishment of customer rates by Board of Commissioners of Public Utilities of Newfoundland and Labrador.

Billing Demand

Billing Demand shall be equal to the customer's declared Power on Order.

Firm Energy Charge:

The Firm Energy rate shall be applied to the quantity of energy in the billing month that is less than or equal to the forecast of energy consumption that was provided by the Labrador Industrial Customer no later than the 19th day of the previous month.

The Firm Energy Rate shall be calculated monthly based on the following formula:

$$\text{Firm Energy Rate, } R_{FIRM} = \{ (E_D \times R_D) + (E_M \times R_M) \} / E_{TOTAL}$$

where:

E_{TOTAL} is the Total Labrador Industrial Energy Forecast, expressed in MWh, for the billing month as provided by the Labrador Industrial Customers no later than the 19th day of the previous month;

E_D is the lesser of the maximum quantity of the Development Energy Block adjusted for losses, expressed in MWh, for the billing month as defined in Schedule A, or E_{TOTAL};

E_M is the quantity of Market Block Energy, expressed in MWh, for the billing month and is calculated as:

$E_M = E_{TOTAL} – E_D$, when $E_{TOTAL} > E_D$; otherwise

$E_M = 0$

R_D is the Development Block Energy Rate which, effective January 1, 2015 through December 31, 2015, is $22.43/MWh. The Development Block Energy Rate will be adjusted annually according to the percentage change over 12 months in the All-items Consumer Price Index for Canada; and

R_M is the Market Block Energy Rate which shall be calculated annually based on the New York Mercantile Exchange (NYMEX) settlement price for New York Independent System Operator (NYISO) Zone A Swap Peak and Off-Peak electricity after the end of trading on the 19th day of November of the previous calendar year, converted to Canadian dollars using the exchange rate at the closing of the same day, adjusted for losses and other market fees. Effective January 1, 2015 through December 31, 2015 the Market Block Energy Rate is $45.52/MWh.

Imbalance Energy Charge:

The Imbalance Energy Charge shall be applied to all energy in the billing month that is in excess of the forecast of energy consumption that was provided by the Labrador Industrial Customer no later than the 19th day of the previous month.

The Imbalance Energy Charge shall be calculated monthly based on a blend of the New York Mercantile Exchange (NYMEX) settlement price for New York Independent System Operator (NYISO) Zone A Swap Peak and Off-Peak electricity after the end of trading on the 19th day of the previous month, converted to Canadian dollars using the exchange rate at the closing of the same day, adjusted for losses and other market fees.

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 A

The Development Energy Block for each month is specified as follows:

	Development Energy Block (MWh)
January	164,742
February	150,163
March	165,022
April	160,151
May	165,692
June	160,513
July	165,942
August	165,909
September	160,291
October	165,288
November	159,773
December	164,810