Newfoundland and Labrador Hydro

Schedule of Rates, Rules and Regulations

Updated January 1, 2019

newfoundland labrador hydro
a nalcor energy company

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NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY

Availability:

This rate is applicable to service to Newfoundland Power (NP).

Definitions:

"Billing Demand"

The Curtailable Credit shall apply to determine the billing demand as an adjustment to the highest Native Load established during the winter period. The computation of the adjustment to reflect the Curtailable Credit is provided in the definitions below.

In the Months of January through March, billing demand shall be the greater of:

(a) the highest Native Load less the Generation Credit and the Curtailable Credit, beginning in the previous December and ending in the current Month; and
(b) the Minimum Billing Demand.

In the Months of April through December, billing demand shall be the greater of:

(a) the Weather-Adjusted Native Load less the Generation Credit and the Curtailable Credit, plus the Weather Adjustment True-up; and
(b) the Minimum Billing Demand.

If at the time of establishing its Maximum Native Load, NP has been requested by Hydro to reduce its Native Load by shedding curtailable load, the calculation of Billing Demand for each month shall not deduct the Curtailable Credit.

"Generation Credit" refers to NP's net generation capacity less allowance for system reserve, as follows:

	kW
Hydraulic Generation Credit	83,142
Thermal Generation Credit	36,187
Total Generation Credit	119,329

In order to continue to avail of the Generation Credit, NP must demonstrate the capability to operate its generation to the level of the Generation Credit. This will be verified in a test by operating the generation at a minimum of this level for a period of one hour as measured by the generation demand metering used to determine the Native Load. The test will be carried out at

a mutually agreed time between December 1 and March 31 each year. If the level is not sustained, Newfoundland Power will be provided an opportunity to repeat the test at another mutually agreed time during the same December 1 to March 31 period. If the level is not sustained in the second test, the Generation Credit will be reduced in calculating the associated billing demands for January to December to the highest level that could be sustained.

"Curtailable Credit" is determined based upon NP's forecast curtailable load available for the period in accordance with the terms and conditions set forth in NP's Curtailable Service Option. NP will notify Hydro of its available curtailable load with its forecast of annual and monthly electricity requirements.

In order to receive the Curtailable Credit, NP must demonstrate the capability to curtail its customer load requirements to the level of the Curtailable Credit. This will be verified in a test by curtailing load at a minimum of this level for a period of one hour. The test will be carried out at a mutually agreed time in December. If the level is not sustained, the Curtailable Credit will be reduced to the level sustained. If Hydro requests NP to curtail load before a test is completed and NP demonstrates the capability to curtail to the level of the Curtailment Credit, no test will be required.

NP will be required to provide a report to Hydro not later than April 15 to demonstrate the amount of load curtailed for each request of Hydro during the previous winter season. If the load curtailed is less than forecast for either request during the winter season, the annual Curtailable Credit will be adjusted to reflect the average load curtailed for the winter season. If NP is not requested to curtail during the winter season, the Curtailment Credit will established based upon the lesser of the load reduction achieved in the test or the forecast curtailable load (as provided in the previous two paragraphs).

"Maximum Native Load" means the maximum Native Load of NP in the four-Month period beginning in December of the preceding year and ending in March of the current year.

"Minimum Billing Demand" means ninety-nine percent (99%) of:

NP's test year Native Load less the Generation Credit and the Curtailable Credit.

The Curtailable Credit reflected in the Minimum Billing Demand will be set to equal the curtailable load used to determine the Maximum Native Load for NP for the most recently approved Test Year.

"Month" means for billing purposes, the period commencing at 12:01 hours on the last day of the previous month and ending at 12:00 hours on the last day of the month for which the bill applies.

"Native Load" is the sum of:

(a) the amount of electrical power, delivered at any time and measured in kilowatts, supplied by Hydro to NP, averaged over each consecutive period of fifteen minutes duration, commencing on the hour and ending each fifteen minute period thereafter;
(b) the total generation by NP averaged over the same fifteen-minute periods.

"Weather-Adjusted Native Load" means the Maximum Native Load adjusted to normal weather conditions, calculated as:

Maximum Native Load
plus (Weather Adjustment, rounded to 3 decimal places, x 1000)

Weather Adjustment is further described and defined in the Weather Adjustment section.

"Weather Adjustment True-up" means one-ninth of the difference between:

(a) the greater of:
- the Weather Adjusted Native Load less the Generation Credit and the Curtailable Credit (if applicable), times three; and
- the Minimum Billing Demand, times three; and

(b) the sum of the actual billed demands in the Months of January, February and March of the current year.

Monthly Rates:

Billing Demand Charge:
Billing Demand, as set out in the Definitions section, shall be charged at the following rate:

$4.75 per kW of billing demand

Energy Charge:
First 250,000,000 kilowatt-hours*.....@ 2.782 ¢ per kWh
All excess kilowatt-hours* ..... @ 10.422 ¢ per kWh

Firming-up Charge:
Secondary energy supplied by
Corner Brook Pulp and Paper Limited* .....@ 2.882 ¢ per kWh

RSP Adjustment:

Current Plan .....@ (0.296) ¢ per kWh
Fuel Rider ..... @ 0.423 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours..... @ 0.127 ¢ per kWh

CDM Cost Recovery Adjustment..... @ 0.022 ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment 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.

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 to metered demand and energy.

Adjustment for Station Services and Step-Up Transformer Losses:

If the metering point is not on the generator output terminals of NP's generators, an adjustment for Newfoundland Power's power consumption between the generator output terminals and the metering point as determined in consultation with the customer prior to the implementation of the metering, shall be applied to the metered demand.

Weather Adjustment: This section outlines procedures and calculations related to the weather adjustment applied to NP's Maximum Native Load.

(a) Weather adjustment shall be undertaken for use in determining NP's Billing Demand.

(b) Weather adjustment shall be derived from Hydro's NP native peak demand model.

(c) By September 30th of each year, Hydro shall provide NP with updated weather adjustment coefficient incorporating the latest year of actuals.

(d) The underlying temperature and wind speed data utilized to derive weather adjustment shall be sourced to weather station data for the St. John's, Gander, and Stephenville airports reported by Environment Canada. NP's regional energy sales shall be used to weight regional weather data. Hydro shall consult with NP to resolve any circumstances arising from the availability of, or revisions to, weather data from Environment Canada and/or wind chill formulation.

(e) The primary definition for the temperature weather variable is the average temperature for the peak demand hour and the preceding seven hours. The primary definition for the wind weather data is the average wind speed for the peak demand hour and the preceding seven hours. Hydro will consult with NP should data anomalies indicate a departure from the primary definition on underlying weather data.

(f) Subject to the availability of weather data from Environment Canada, Hydro shall prepare a preliminary estimate of the Weather-Adjusted Native Load by March 15th of each year, and a final calculation of Weather-Adjusted Native Load by April 5th of each year.

General:

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

With respect to all matters where the customer and Hydro consult on resolution but are unable to reach mutual agreement, the billing will be based on Hydro's best estimate.

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 $10.90 per kilowatt (kW) per month of billing demand.

Firm Energy Charge:

Base Rate ..... @ 3.521 ¢ per kWh

RSP Adjustment:

RSP Adjustment:

Current Plan ..... @ 0.302 ¢ per kWh
Fuel Rider ..... @ 0.000 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours ..... @ 0.302 ¢ 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.

	Annual Amount
Corner Brook Pulp and Paper Limited	$ 11,458
North Atlantic Refining Limited	$ 104,051
Teck Resources Limited	$ 50,030
Vale	$ 144,378

***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.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro) is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- customer load (Utility and Island Industrial); and
- rural rates.

The formulae used to calculate the Plan's activity are outlined below. Positive values denote amounts owing from customers to Hydro whereas negative values denote amounts owing from Hydro to customers.

Section A: Hydraulic Production Variation

1. Activity:

Actual monthly production is compared with the Test Year Cost of Service Study in accordance with the following formula:

$$\{(A - B) \div C\} \times D$$

Where:

A = Test Year Cost of Service Net Hydraulic Production (kWh)
B = Actual Net Hydraulic Production + Net Ponded Energy – Spill Exports (kWh)
C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)

Net Ponded Energy is defined as energy imports in kWh for ponding (Ponding Imports) less energy generated in kWh for the purposes of sale to external markets (Ponding Exports). The calculation of Net Ponded Energy shall exclude any Ponding Imports used to serve native load and spilled Ponded Energy (Ponding Spill), if applicable.

Spill Exports reflects production of energy during the month for sale to external markets to avoid spill (kWh), if applicable.

The metering point for determining the Ponding Imports is at Bottom Brook or the Labrador-Quebec border, as applicable. The metering point for Ponding Exports and Spill Exports is at Hydro's generation.

2. Financing:
Each month, financing charges, using Hydro's approved Test Year weighted average cost of capital, will be calculated on the balance.

3. Hydraulic Variation Customer Assignment:
Customer assignment of hydraulic variations will be performed annually as follows:

$$(E \times 25\%) + F$$

Where:

E = Hydraulic Variation Account Balance as of December 31, excluding financing charges
F = Financing charges accumulated to December 31

The total amount of the Hydraulic Customer Assignment shall be removed from the Hydraulic Variation Account.

4. Customer Allocation:
The annual customer assignment will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the hydraulic customer assignment which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Newfoundland Power and Island Industrial customer allocations shall be included with the Newfoundland Power and Island Industrial RSP balances respectively as of December 31 each year. The Labrador Interconnected Hydraulic customer allocation shall be written off to Hydro's net income (loss).

Section B: Fuel Cost Variation, Load Variation and Rural Rate Alteration

1. Activity

1.1 Fuel Cost Variations

This is based on the consumption of No. 6 Fuel at the Holyrood Generating Station:

$$(G - D) \times H$$

Where:

D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)
G = Monthly Actual Average No. 6 Fuel Cost ($Can /bbl.)
H = Monthly Actual Quantity of No. 6 Fuel consumed less No. 6 fuel consumed for non-firm sales (bbl.)

1.2 Load Variations

Firm: Firm load variation is comprised of fuel and revenue components. The load variation is determined by calculating the difference between actual monthly sales and the Test Year Cost of Service Study sales, and the resulting variance in No. 6 fuel costs and sales revenues. It is calculated separately for Newfoundland Power firm sales and Industrial firm sales, in accordance with the following formula:

$$(I - J) \times \{(D \div C) - K\}$$

Where:

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)
I = Actual Sales, by customer class (kWh)
J = Test Year Cost of Service Sales, by customer class (kWh)
K = Firm energy rate, by customer class

Secondary: Secondary load variation is based on the revenue variation for Utility Firmed-Up Secondary energy sales compared with the Test Year Cost of Service Study, in accordance with the following formula:

$$(J - I) \times L$$

Where:

I = Actual Sales (kWh)
J = Test Year Cost of Service Sales (kWh)
L = Secondary Energy Firming Up Charge

1.3 Rural Rate Alteration

Newfoundland Power Rate Change Impacts:
This component is calculated for Hydro's rural customers whose rates are directly or indirectly impacted by Newfoundland Power's rate changes, with the following formula:

$$(M - N) \times O$$

Where:

M = Cost of Service rate
N = Existing rate
O = Actual Units (kWh, bills, billing demand)

2. Monthly Customer Allocation: Load and Fuel Activity

Each month, the year-to-date total for fuel price variation and the year-to-date total for the load variation will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The year-to-date portion of the fuel price variation and the year-to-date portion of the load variation which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The current month's activity for Newfoundland Power, Island Industrials and regulated Labrador Interconnected customers will be calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month. The current month's activity allocated to regulated Labrador Interconnected customers will be removed from the Plan and written off to Hydro's net income (loss).

3. Monthly Customer Allocation: Rural Rate Alteration Activity

Each month, the rural rate alteration will be allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study. The portion allocated to regulated Labrador Interconnected will be removed from the Plan and written off to Hydro's net income (loss).

4. Plan Balances

Separate plan balances for Newfoundland Power, the Island Industrial customer class and the segregated load variation will be maintained. The RSP balances shall be adjusted by other amounts as ordered by the Board. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

Section C: Fuel Price Projection

A fuel price projection will be calculated to anticipate forecast fuel price changes and to determine fuel riders for the rate adjustments. For industrial customers, this will occur in October each year, for inclusion with the RSP adjustment effective January 1. For Newfoundland Power, this will occur in April each year, for inclusion with the RSP adjustment effective July 1.

1. Industrial Fuel Price Projection:

In October each year, a fuel price projection for the following January to December shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel cost, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(S + T) \times U\} - V] \times W$$

Where:

S = the September month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following January to December

T = Hydro's average fuel contract premium or (discount) ($US/bbl) for the following January to December

U = the monthly average of the $Cdn / $US Bank of Canada Exchange Rate for the month of September

V = average Test Year Cost of Service cost of No. 6 Fuel ($Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year for the Test Year, or an alternate forecast number of barrels as approved by the Board.

The industrial customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of September and is the ratio of Industrial Firm invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of an estimate of the fuel rider based on 12 months-to-date kWh sales to the end of September will be reported to industrial customers, Newfoundland Power, and the Public Utilities Board, by the 10th working day of October.

2. Newfoundland Power Fuel Price Projection:

In April each year, a fuel price projection for the following July to June shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel cost, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(X + T) \times Y\} - V] \times W$$

Where:

T = Hydro's average fuel contract premium or (discount) ($US/bbl) for the following July to June
V = average Test Year Cost of Service cost of No. 6 Fuel ($Can /bbl.)
W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year, or an alternate forecast number of barrels as approved by the Board.
X = the average of the March month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for July to December of the current year and for the January to June period of the subsequent year.
Y = the monthly average of the $Cdn / $US Bank of Canada Exchange Rate for the month of March

The Newfoundland Power customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of March and is the ratio of Newfoundland Power Firm and Firmed-Up Secondary invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of the resulting fuel rider applied to the adjustment rate will be reported to Newfoundland Power, industrial customers, and the Public Utilities Board, by the 10th working day of April.

Section D: Adjustment

1. Newfoundland Power

As of March 31 each year, Newfoundland Power's adjustment rate for the 12-month period commencing the following July 1 is determined as the rate per kWh which is projected to collect:

Newfoundland Power March 31 Balance

less projected recovery / repayment of the balance for the following three months (if any), estimated using the energy sales (kWh) for April, May and June from the previous year

plus forecast financing charges to the end of the 12-month recovery period (i.e., June in the following calendar year),

divided by the 12-months-to-date firm plus firmed-up secondary kWh sales to the end of March.

A fuel rider shall be added to the above adjustment rate, based on the Newfoundland Power Fuel Price Projection amount (as per Section C.2 above) divided by 12-months-to-date kWh sales to the end of March.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values.

Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

2. Island Industrial Customers

As of December 31 each year, the adjustment rate for industrial customers for the 12-month period commencing January 1 is determined as the rate per kWh which is projected to collect:

Industrial December 31 Balance

plus forecast financing charges to the end of the following calendar year,

divided by 12-months-to-date kWh sales to the end of December.

A fuel rider shall be added to the above adjustment rate, based on the Industrial Fuel Price Projection (as per Section C.1 above) amount divided by 12-months-to-date kWh sales to the end of December.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values. Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

Section E: RSP Surplus:

The Newfoundland Power allocated amount of the RSP Surplus will be refunded to Newfoundland Power and Hydro's Rural customers in accordance with Hydro's Customer Refund Plan approved in Order No. P.U. 36(2016).

Financing charges on the Newfoundland Power plan balance will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

NEWFOUNDLAND AND LABRADOR HYDRO

CONSERVATION AND DEMAND MANAGEMENT COST RECOVERY

The CDM Cost Recovery Adjustment, expressed in cents per kWh, will be calculated to provide for the recovery of costs charged annually to the Conservation and Demand Management Cost Deferral Account (the "CDM Cost Deferral Account") over a seven-year period.

For the initial year of calculating the CDM Cost Recovery Adjustment, the CDM Cost Recovery Adjustment will be calculated to recover 1/7th of the CDM Cost Deferral Account balance at December 31 of the previous year. For each subsequent year, the CDM Cost Recovery Adjustment will be calculated to recover the sum of individual amounts representing 1/7th of the transfer to the CDM Deferral Account for the previous year and the amortizations carried forward from prior years.

There will be different CDM Cost Recovery Adjustments for Island Industrial Customers and Newfoundland Power. The CDM Cost Recovery Adjustment for Island Industrial Customers will be calculated based upon the Island Interconnected Recoverable Amount allocated for recovery from Island Industrial Customers. The CDM Cost Recovery Adjustment for Newfoundland Power will be calculated based upon the allocated Island Interconnected Recoverable Amount to Newfoundland Power (including the allocated Island Interconnected Hydro Rural Amount) plus the allocated Hydro Rural Isolated System amount to Newfoundland Power.

Assignment of Customer Balance for Recovery

The Island Interconnected Recoverable Amount will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages of previous calendar year sales for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the Island Interconnected Recoverable Amount which is initially allocated to Rural Island Interconnected will be added to the Hydro Rural Isolated System Recoverable Amount, and then re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Labrador Interconnected Recoverable Amount shall be written off to Hydro's net income (loss).

NEWFOUNDLAND AND LABRADOR HYDRO

CONSERVATION AND DEMAND MANAGEMENT COST RECOVERY

CDM Cost Recovery Adjustment

Newfoundland Power:

The adjustment rate for each year will be determined as follows:

$$B = (C \div D)$$

Where:

B = adjustment rate (¢ per kWh) for the 12-month period commencing the following July.
C = Recoverable Amount assigned to Newfoundland Power from previous calendar year.
D = energy sales (kWh) (firm and firmed-up secondary) to Newfoundland Power for the previous calendar year.

Island Industrial Customers:

The adjustment rate for each year will be determined as follows:

$$E = (F \div H)$$

Where:

E = adjustment rate (¢ per kWh) for the 12-month period commencing the following July.
F = Recoverable Amount assigned to Industrial Customers from previous calendar year.
H = firm energy sales (kWh) to Industrial Customers for the previous calendar year.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS

APPLICABILITY:

These general Rules and Regulations apply to all Hydro Rural Customers.

1. INTERPRETATION:

(a) In these Rates and Rules the following definitions shall apply:

(i) "***Act***" means The Public Utilities Act, R.S.N. 1990, c.P-47 as amended from time to time.

(ii) ***"Annual Review Billing Month"*** represents the billing month in which the utility provides payment for the Banked Energy Credits.

(iii) ***"Annual Review Date"*** means the date that marks a Customer-Generator's annual participation in the Net Metering Service Option. The Annual Review Date occurs during the Annual Review Billing Month.

(iv) "***Applicant***" means any person who applies for Service.

(v) ***"Banked Energy Credits"*** represent the amount of kilowatt-hour ("kWh") energy supplied by the customer to the utility that is in excess of the kWh energy supplied by the utility to the customer. Banked Energy Credits will be reduced to zero whenever the customer generator receives payment for the outstanding balance.

(vi) ***"Board"*** means the Board of Commissioners of Public Utilities of Newfoundland and Labrador.

(vii) "***Customer***" means any person who accepts or agrees to accept Service.

(viii) ***"Customer-Generator"*** is a utility customer that has renewable generation on its serviced premise and uses this generation to offset part or all of their electrical energy requirements. Customers with standby generation that does not normally operate while connected to the utility system are not included as Customer-Generators.

(ix) ***"Customer Generation Credit"*** represents a monetary credit to the Customer-Generator for energy supplied by the customer to the utility.

(x) "***Disconnected***" or "***Disconnect***" in reference to a Service means the physical interruption of the supply of electricity thereto.

(xi) "***Discontinued***" or "***Discontinue***" in reference to a Service means to terminate the Customer's on-going responsibility with respect to the Service.

(xii) "***Domestic Unit***" means a house, apartment or other similar residential unit which is normally occupied by one family, or by a family and no more than four other persons who are not members of that family, or which is normally occupied by no more than six unrelated persons.

(xiii) ***"Generation Energy Credit"*** equals the kWh energy supplied by the customer to the utility during the billing month plus any Banked Energy Credits. However, the Generation Energy Credit applied in the current month cannot exceed the energy supplied by the utility to the customer during the billing month.

(xiv) *"**Government Departments***" means electric service accounts of Provincial or Federal government departments, agencies, boards, commissions, and crown corporations but excludes hospitals, fish plants, churches, schools, community halls, municipal buildings and like facilities.

(xv) "***Hydro***" means Newfoundland and Labrador Hydro.

(xvi) "***Hydro rural customers***" means regulated customers served by Hydro other than industrial customers and Newfoundland Power.

(xvii) ***"Net Metering Service"*** is a metering and billing practice that enables Customer-Generators of renewable energy to offset part or all of their electricity requirements by utilizing their own generation. Electricity generated in excess of the customer's energy requirements is permitted to be credited against customer energy purchases within certain limitations.

(xviii) ***"Service"*** means any service(s) provided by Hydro pursuant to these Regulations.

(xix) "***Serviced premises***" means the premises at which Service is delivered to the Customer.

(xx) ***"Sizing Limits"*** represent the maximum capacity for qualifying generating equipment for each Customer-Generator.

(xxi) ***"Utility Supply Cost"*** represents the total of the: basic customer charge, energy charges and demand charge, where applicable, for energy supplied to the customer during the billing month.

(b) Unless the context requires otherwise these Rates and Rules shall be interpreted such that:

(i) words imparting male persons include female persons and corporations.

(ii) words imparting the singular include the plural and vice versa.

2. CLASSES OF SERVICE:

(a) Hydro shall provide the following classes of Service:

ISLAND INTERCONNECTED AREA/LANSE AU LOUP AREA

1.1	Domestic
1.1S	Domestic Seasonal
1.3	Burgeo School and Library
2.1	General Service, 0-100 kW
2.3	General Service, 110 kVA (100 kW) - 1000 kVA
2.4	General Service, 1000 kVA and Over
4.1	Street and Area Lighting Service

ISLAND AND LABRADOR DIESEL AREA

1.2D	Domestic Diesel - Non-Government
1.2DS	Domestic Seasonal Diesel – Non-Government
2.1D	General Service Diesel - Non-Government, 0-10 kW
2.2D	General Service Diesel - Non-Government, 10 kW and Over
4.1D	Street and Area Lighting Service Diesel - Non-Government
1.2G	Domestic Diesel - Government Departments
2.1G	General Service Diesel - Government Departments, 0-10kW
2.2G	General Service Diesel - Government Departments, 10kW and Over
4.1G	Street and Area Lighting Service Diesel - Government Departments

LABRADOR INTERCONNECTED AREA

1.1L	Domestic
2.1L	General Service, 0-10 kW
2.2L	General Service, 10-100 kW (110 kVA)
2.3L	General Service, 110 kVA (100 kW) - 1000 kVA
2.4L	General Service, 1000 kVA and Over
4.1L	Street and Area Lighting Service
4.11L	Street and Area Lighting Service Labrador - Installed as of Sept. 1, 2002
4.12L	Street and Area Lighting Service Labrador– Customer Owned
5.1L	Secondary Energy

(b) The terms and conditions relating to each class of Service shall be those approved by the Board from time to time.

(c) Service, other than Street and Area Lighting Service, shall be metered except where the energy consumption is relatively low and constant and in the opinion of Hydro can be readily determined without metering.

(d) The Customer shall use the Service on the Serviced Premises only. The Customer shall not resell the Service in whole or in part except that the Customer may include the cost of Service in charges for the lease of space or as part of the cost of other services provided by the Customer.

3. APPLICATION FOR SERVICE:

(a) An Applicant, when required by Hydro, shall complete a written Electrical Service Contract.

(b) An application for Service, when accepted by Hydro, constitutes a binding contract between the Applicant and Hydro which cannot be assigned.

(c) The person who signs an application for Service shall be personally liable for Service provided pursuant thereto, unless that person has authority to act for another Person denoted as the Applicant on the application for Service.

(d) Hydro may in its discretion refuse to provide Service to an Applicant where:

(i) the Applicant fails or refuses to complete an application for Service.

(ii) the Applicant provides false or misleading information on the application for Service.

(iii) the Applicant or the Owner or an Occupant of the Serviced Premises has a bill for any Service which is not paid in full 30 days or more after issuance.

(iv) the Applicant fails to provide the security or guarantee required under Regulation 4.

(v) the Applicant is not the owner or an occupant of the Serviced Premises.

(vi) the Service requested is already supplied to the Serviced Premises for another Customer who does not consent to having his Service Discontinued.

(vii) the Applicant does not pay a charge described in Regulation 9 (b), (c) or (d).

(viii) the Applicant otherwise fails to comply with these Regulations.

(e) A Customer who has not completed an application for Service shall do so within 5 days of a request having been made by Hydro in writing.

4. SECURITY FOR PAYMENT:

(a) An Applicant or a Customer shall give such reasonable security for the payment of charges as may be required by Hydro. When the Customer has established two consecutive years of good credit history, the security deposit will be refunded with simple interest calculated at a Rate equivalent to the Rate paid from time to time by the chartered banks on over-the-counter withdrawal savings accounts.

(b) Hydro may in its discretion require special guarantees from an Applicant or Customer whose location or load characteristics would require abnormal investment in facilities or who requires Service of a special nature.

5. SERVICE STANDARDS - METERED SERVICES:

(a) Service shall normally be provided at one of the following nominal standard secondary voltages depending upon the requirements of the load to be served and the availability of a three phase supply:

Single phase, 3-Wire	-	120/240 volts
Three phase, 4-Wire	-	120/208 volts wye
Three phase, 4-Wire	-	347/600 volts wye

Service at any other supply voltage may be provided in special cases at the discretion of Hydro.

(b) Service to customers who are provided Domestic Service shall be supplied at single phase 120/240 volt or as part of a multiunit building, at single phase 120/208 volts. Hydro may if requested by the customer, provide three phase service if a contribution in aid of construction is paid to Hydro in accordance with regulation 9(c).

(c) Hydro shall determine the point at which power and energy is delivered from Hydro's facilities to the Customer's electrical system.

(d) Service entrances shall be in a location satisfactory to Hydro and, except as otherwise approved by Hydro, shall be wired for outdoor meters.

(e) Where Hydro has reason to believe that Service to a Customer has or will have load characteristics which may cause undue interference with Service to another Customer, the Customer shall upon written notice by Hydro provide and install, at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference.

(f) (i) Any Customer having a connected load or a normal operating demand of more than 25 kilowatts, in areas where space limitations or aesthetic reasons make it impractical to use a pole mounted transformer bank, shall, on request of Hydro, install and maintain a padmount transformer and all associated underground wiring, or provide at his expense a suitable vault or enclosure on the Serviced Premises for exclusive use by Hydro for its equipment necessary to supply and maintain service to the Customer.

(ii) Where either the service requirements of a Customer or changes to a Customer's electrical system necessitate the installation of additional equipment to Hydro's system which cannot be accommodated in Hydro's existing vaults or structures, the Customer shall, on request of Hydro, provide at the Customer's expense such additional space in its vault or enclosure as Hydro shall require to accommodate the additional equipment.

(g) The Customer shall not use a Service for across the line starting of motors rated over 10 horsepower except where specifically approved by Hydro.

(h) For Services having rates based on kilowatt demand, the average power factor shall not be less than 90%. Hydro, in its discretion, may make continuous tests of power factor or may test the Customer's power factor from time to time. If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at his expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

(i) Hydro shall provide transformation for Service up to 500 kVA where the required service voltage is one of Hydro's standard service voltages and installation is in accordance with Hydro's standards. In other circumstances, Hydro, on such conditions as it deems acceptable, may provide the transformation.

(j) All Customer wiring and installations shall be in compliance with all statutory and regulatory requirements including the Canadian Electrical Code, Part 1 and, where applicable, in accordance with Hydro's specifications. However, the provision of Service shall not in any way be construed as acceptance by Hydro of the Customer's electrical system.

(k) The Customer shall provide such protective devices as may be necessary to protect his property and equipment from any disturbance beyond the reasonable control of Hydro.

6. SERVICE STANDARDS - STREET AND AREA LIGHTING SERVICE:

(a) For Street and Area Lighting Service Hydro shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4200 hours per year. Hydro shall, subject to Regulation 9 (i) make all repairs necessary to maintain service.

(b) Hydro shall supply the energy required and shall provide and maintain the illuminating fixtures and lamps together with necessary overhead conductors, control equipment and other devices.

(c) Hydro shall not be required to provide Street and Area Lighting Service where, in the opinion of Hydro, the normal Service is unsuitable for the task or where the nature of the activities carried out in the area would likely result in damage to the poles, wiring or fixtures.

(d) Hydro shall provide a range of fixture sizes utilizing an efficient lighting source in accordance with current standards in the industry and shall consult with the Customer regarding the most appropriate use of such fixtures for any specific installation.

(e) The location of fixtures for Street and Area Lighting Service shall be determined by Hydro in consultation with the Customer. After poles and fixtures have been installed they shall not be relocated except at the expense of the Customer.

(f) Hydro does not guarantee that fixtures used for Street and Area Lighting Service will illuminate any specific area.

(g) Where the installation of fixtures is required in a location where there are no existing distribution poles the Customer shall pay any contribution in aid of construction as may be determined under Hydro's policy for the pole line extension required to supply electric service to the location of the fixtures.

(h) Hydro shall not be required to provide additional Street and Area Lighting Service to a Customer where on at least two occasions in the preceding twelve months, his bill for such Service has been in arrears for more than 30 days.

7. METERING:

(a) Service to each building shall be metered separately except as provided in Regulation 7(b).

(b) Service to buildings and facilities on the same Serviced Premises which are occupied by the same Customer may, subject to Regulation 7(c), be metered together provided the

Customer supplies and maintains all distribution facilities beyond the point of supply.

(c) Except as provided in Regulation 7(d) Service to each new Domestic Unit shall be metered separately.

(d) Where an existing Domestic Unit is subdivided into two or more new Domestic Units, Service to the new Domestic Units may, in the discretion of Hydro, be metered together.

(e) Where four or more Domestic Units are metered together, the Basic Customer Charge shall be multiplied by the number of Domestic Units.

(f) Where the Service to a Domestic Unit has a connected load for commercial or nondomestic purposes exceeding 3000 watts, exclusive of space heating, the Service shall not qualify for the Domestic Service Rate.

(g) Hydro shall not be required to provide more than one meter per Service, however, sub-metering by the Customer for any purpose not inconsistent with these Regulations is permitted.

(h) Subject to Regulations 7(c) and 7(g) Service to different units of a building may, at the request of the Customer, be combined on one meter or be metered separately.

(i) Maximum demand for billing purposes shall be determined by demand meter or, at the option of Hydro, may be based on:

(i) 80% of the connected load, where the demand does not exceed 100 kW, or

(ii) the smallest size transformer(s) required to serve the load if it is intermittent in nature such as X-Ray, welding machines or motors that operate for periods of less than thirty minutes, or

(iii) the kilowatt-hour consumption divided by an appropriate number of hours use where the demand is less than 10 kW.

(j) When charges are based on maximum demand the metering shall normally be in kVA if the applicable Rate is in kVA and in kW if the applicable Rate is in kW.
If the demand is recorded on a kVA meter but the applicable Rate is based on a kW demand, the recorded demand may be decreased by ten percent (10%) and the result shall be treated as the kW demand for billing purposes.

If the demand is recorded on a kW meter but the applicable Rate is based on a kVA demand, the recorded demand may be increased by ten percent (10%) and the result shall be treated as the kVA demand for billing purposes.

(k) The Customer shall ensure that meters and related equipment are visible and readily accessible to Hydro's personnel and are suitably protected. Unless otherwise approved by Hydro, meters shall be located outdoors and shall not subsequently be enclosed.

(l) If a meter is located indoors and Hydro employees are unable to obtain access to read the meter at the normal reading time for three consecutive months, the Customer shall upon written notice given by Hydro, provide for the installation of an outdoor meter at his expense.

(m) In the event that a dispute arises regarding the accuracy of a meter, and Hydro is unable to resolve the matter with the Customer then either the Customer or Hydro shall have the right to request an accuracy test in accordance with the requirements of the Electricity Inspection Act of Canada. Should the test indicate that the meter accuracy is not within the allowable limits, the Customer's bill shall be adjusted in accordance with the provisions of the said Act and all costs involved in the removal and testing of the meter shall be borne by Hydro. Should the test confirm the accuracy of the meter, the costs involved shall be borne by the party requesting the test. Hydro may require a Customer to deposit with Hydro in advance of testing, an amount sufficient to cover the costs involved.

(n) Metering shall normally be at secondary distribution voltage level but may at the option of Hydro be at the primary distribution level. When metering is at the primary distribution voltage (4-25KV) the monthly demand and energy consumption shall be reduced by 1.5%.

8. METER READING:

(a) Where reasonably possible Hydro shall read meters monthly provided that Hydro may, at its discretion, read meters at some other interval and estimate the reading for the intervening month(s). Areas which consist primarily of cottages will have their meters read four times per year and Hydro will estimate the readings for all other months.

(b) If Hydro is unable to obtain a meter reading due to circumstances beyond its reasonable control, Hydro may estimate the reading.

(c) If due to any cause a meter has not correctly recorded energy consumption or demand, then the probable consumption or demand shall be estimated in accordance with the best data available and used to determine the relevant charge.

9. CHARGES:

(a) Every Customer shall pay Hydro the charges approved by the Board from time to time for the Service(s) provided to the Customer or provided to the Serviced Premises at the Customer's request.

(b) Where a Customer requires Service for a period of less than three (3) years, the Customer shall pay Hydro in advance a "Temporary Connection Fee". The Temporary Connection Fee is calculated as the estimated labour cost of installing and removing lines and equipment necessary for the Service plus the estimated cost of non-salvageable material.

(c) Where special facilities are required or requested by the Customer or any facility is relocated at the request of the Customer, the Customer shall pay Hydro in advance the estimated additional cost of providing the special facilities and the estimated cost of the relocation less any betterment.

(d) The Customer shall pay Hydro in advance or on such other terms approved by the Board from time to time any contribution in aid of construction as may be determined by the methods prescribed by the Board.

(e) The Customer shall pay Hydro the amount set forth in the Rate for all poles required for Street and Area Lighting Service which are in addition to those installed by Hydro for the distribution of electricity. This charge shall not apply to Hydro poles and communications poles used jointly for Street and Area Lighting Service and communications attachments.

(f) Where a service is Disconnected pursuant to Regulation 12(a), b(ii), (c), or (d) and the Customer subsequently requests that the service be reconnected, the Customer shall pay a reconnection fee. Where a Service is Disconnected pursuant to Regulation 12(g) and an Applicant subsequently requests that the service be reconnected, the Applicant shall pay a reconnection fee. Applicants that pay the reconnection fee will not be required to pay the application fee. The reconnection fee shall be $20.00 where the reconnection is done during Hydro's normal office hours or $40.00 if it is done at other times.

(g) Where a Service, other than a Street and Area Lighting Service, is Discontinued pursuant to Regulation 11(a), or Disconnected pursuant to Regulations 12(a), b(ii), (c) or (d) and the Customer subsequently requests that the Service be restored within 12 months, the Customer shall pay, in advance, the minimum monthly charges that would have been incurred over the period if the Service had not been Discontinued or Disconnected.

(h) (i) Where a Street and Area Lighting Service is Discontinued pursuant to Regulation 11(a), (b), or (c), or 9(i), or when a Customer requests removal of existing fixtures, and/or poles, the Customer shall pay at the time of removal an amount equal to the unrecovered capital cost, plus the cost of removal less any salvage value of only the poles to be Discontinued or removed.

(ii) If a Customer requests the subsequent replacement of the fixture, either immediately or at any time within 12 months by another, whether or not of the same type or size, the Customer shall pay, in advance, an amount equal to the unrecovered capital cost of the fixture removed, plus the cost of removal, less any non-luminaire salvage, as well as the monthly charges that would have been incurred over the period if the Service had not been Discontinued.

(iii) Where a Street and Area Lighting Service is Discontinued, any pole dedicated solely to the Street and Area Lighting Service may, at the Customer's request, remain in place for up to 24 months from the date of removal of the fixture, during which time the Customer shall continue to pay the prescribed monthly charge for the pole.

(i) Where street and area lighting fixtures or lamps are wantonly, wilfilly, or negligently damaged or destroyed (other than through the negligence of Hydro), Hydro, at its option and after notifying the Customer by letter, shall remove the fixtures and the monthly charges for these fixtures will cease thirty days after the date of the letter. However, if the customer contacts Hydro within thirty days of the date of the letter and agrees to pay the repair costs in advance and all future repair costs, Hydro will replace the fixture and rental charges will recommence. If any future repair costs are not paid within three months of the date invoiced, Hydro, after further notifying the Customer by letter, may remove the fixtures. In all such cases the fixtures shall not be replaced unless the Customer pays to Hydro in advance all amounts owing prior to removal plus the cost of removing the old fixtures and installing the new fixtures.

(j) Where a Service other than Street and Area Lighting Service is not provided to the Customer for the full monthly billing period or where Street and Area Lighting Service is not provided for more than seven (7) days during the monthly billing period, the relevant charge to the Customer for the Service for that period may be prorated except where the failure to provide the Service is due to the Customer or to circumstances beyond the reasonable control of Hydro.

(k) Where a Customer's Service is at primary distribution or transmission voltage and the Customer provides his own transformation and all other facilities beyond the designated point of supply the monthly demand charge shall, subject to the minimum monthly charge, be reduced as follows:

For the Island Interconnected, L'Anse au Loup and Isolated service areas:

(i) for supply at 4 KV to 25 KV..... $0.40 per kVA

(ii) for supply at 33 KV to 138 KV..... $0.90 per kVA

For the Labrador Interconnected service area:

(iii) for supply at 4 KV to 25 KV..... $0.25 per kVA

(iv) for supply at 33 KV to 138 KV..... $0.60 per kVA

(l) Where a Customer's monthly demand has been permanently reduced because of the installation of peak load controls, power factor correction, or by rendering sufficient equipment inoperable, by any means satisfactory to Hydro, the monthly demands recorded prior to the effective date of such reduction may be adjusted when determining the Customer's demand for billing purposes thereafter. Should the Customer's demand increase above the adjusted demands in the following 12 months, the Customer will be billed for the charges that would have been incurred over the period if the demand had not been adjusted.

(m) Charges may be based on estimated readings or costs where such estimates are authorized by these Regulations.

(n) An application fee of $8.00 will be charged for all requests for Customer name changes and connection of new Serviced Premises. Landlords will be exempted from the application fee for name changes at Serviced Premises for which a landlord agreement pursuant to Regulation 11(f) is in effect.

10. BILLING:

(a) Hydro shall bill the Customer monthly for charges for Service. However, when a Service is disconnected or a bill is revised, Hydro may issue an additional bill.

(b) The charges for Street and Area Lighting Service may be included as a separate item on a bill for any other Service.

(c) Bills are due and payable when issued. Payment shall be made at such place(s) as Hydro may designate from time to time. Where a bill is not paid in full by the date that a subsequent bill is issued and the amount outstanding is $50.00 or more, Hydro will charge interest at a rate equal to the prime rate charged by chartered banks on the last day of the previous month plus five percent.

(d) Where a Customer's cheque or automated payment is not honoured by their financial institution, a charge of $16.00 may be applied to the Customer's bill.

(e) Where a Customer is billed on the basis of an estimated charge, an adjustment shall be made in a subsequent bill should such estimate prove to be inaccurate.

(f) Where between normal meter reading dates, one Customer assumes from another Customer the responsibility for a metered Service or a Service is Discontinued, Hydro may base the billing on an estimate of the reading as of the date of change.

(g) Where a Customer has been under billed due to an error on the part of Hydro or due to an act or omission by a third party, the Customer may, at the discretion of Hydro, be relieved of the responsibility for all or any part of the amount of the under billing.

11. DISCONTINUANCE OF SERVICE:

(a) A Service may be Discontinued by the Customer at any time upon prior notice to Hydro provided that Hydro may require 10 days prior notice in writing.

(b) A Service may be Discontinued by Hydro upon 10 days prior notice in writing to the Customer if the Customer:

(i) provided false or misleading information on the application for the Service; and

(ii) fails to provide security or guarantee for the Service required under Regulation 4.

(c) A Service may be Discontinued by Hydro without notice if the Service was Disconnected pursuant to Rule 12 and has remained Disconnected for over 30 consecutive days.

(d) When Hydro accepts an application for Service, any prior contract for the same Service shall be Discontinued except where an agreement for that Service is signed by a landlord under Regulation 11(f).

(e) Where a Service has been Discontinued, the Service may, at the option of Hydro and subject to Rule 12(a), remain connected.

(f) A landlord may sign an agreement with Hydro to accept charges for Service provided to a rental premise for all periods when Hydro does not have a contract for Service with a tenant for that premise.

12. DISCONNECTION OF SERVICE:

(a) Hydro shall Disconnect a Service within 10 days of receipt of a written request from the Customer.

(b) Hydro may Disconnect a Service without notice to the Customer:

(i) where the Service has been Discontinued.

(ii) on account of or to prevent fraud or abuse.

(iii) where in the opinion of Hydro the Customer's electrical system is defective and represents a danger to life or property.

(iv) where the Customer's electrical system has been modified without compliance with the Electrical Regulations.

(v) where the Customer has a building or structure under Hydro's wires which is within the minimum clearances recommended by the Canadian Standards Association.

(vi) when ordered to do so by any authority having the legal right to issue such order.

(c) Hydro may, in accordance with its Collection Policies, Disconnect a Service upon prior notice to the Customer if the Customer has a bill for any Service which is not paid in full 30 *days or more after issuance.*

(d) Hydro may Disconnect a Service upon 10 days prior notice to the Customer if the Customer is in violation of any provision of these Regulations.

(e) Hydro may refuse to reconnect a Service if the Customer is in violation of any provisions of these Rules or if the Customer has a bill for any Service which is unpaid.

(f) Hydro may disconnect a service to make repairs or alterations. Where reasonable and practical, Hydro shall give prior notice to the Customer.

(g) Hydro may disconnect the Service to a rental premises where the landlord has an agreement with Hydro authorizing Hydro to disconnect the Service for periods when Hydro does not have a contract for Service with a tenant of that premises.

13. PROPERTY RIGHTS:

(a) The Customer shall provide Hydro with space and cleared rights-of-way on private property for the line(s) and facilities required to serve the Customer.

(b) Hydro shall have the right to install, remove or replace such of its property as it deems necessary.

(c) The Customer shall provide Hydro with access to the Serviced Premises at all reasonable hours for purposes of reading a meter or installing, replacing, removing or testing its equipment, and measuring or checking the connected load.

(d) All equipment and facilities provided by Hydro shall remain the property of Hydro unless otherwise agreed in writing.

(e) The Customer shall not unreasonably interfere with Hydro's access to its property.

(f) The Customer shall not attach wire, cables, clotheslines or any other fixtures to Hydro's poles or other property except by prior written permission of Hydro.

(g) The Customer shall allow Hydro to trim all trees in close proximity to service lines in order to maintain such lines in a safe manner.

(h) The Customer shall not erect any buildings or obstructions on any of Hydro's easement lands or alter the grade of such easements by more than 20 centimetres, without the prior approval of Hydro.

14. HYDRO LIABILITY:

Hydro shall not be liable for any failure to supply Service for any cause beyond its reasonable control, nor shall it be liable for any loss, damage or injury caused by the use of Services or resulting from any cause beyond its reasonable control.

15. GENERAL:

(a) No employee, representative or agent of Hydro has authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Regulations and no such promise, agreement or representation shall be binding on Hydro.

(b) Any notice under these Regulations will be considered to have been given to the Customer on the date it is received by the Customer or three days following the date it was delivered or mailed by Hydro to the Customer's last known address, whichever is sooner.

16. POLICIES FOR AUTOMATIC RATE CHANGES

(a) Island Interconnected System:

(i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.

(b) L'Anse au Loup System:

(i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.

(c) Isolated Systems:

(i) Isolated Rural Domestic customers, excluding Government departments, pay the same rates as Newfoundland Power for the basic customer charge and First Block consumption (outlined in Rate 1.2D). Rates charged for consumption above this block will be automatically adjusted by the average rate of change granted Newfoundland Power from time to time.

(ii) Rates for Isolated Rural General Service customers, excluding Government departments, will increase or decrease by the average rate of change granted Newfoundland Power from time to time.

(ii) As Newfoundland Power changes its rates, Hydro will automatically adjust Rural Isolated street and area lighting rates, excluding those for Government departments, such that these rates are the same as charged Newfoundland Power customers.

17. TEMPORARY RESTRICTION FOR LOAD ADDITIONS TO LABRADOR EAST

Effective September 11, 2018 and until May 30, 2019, Hydro will not provide service connections or service upgrades to an Applicant that will result in the addition of load requirements of greater than 100 kW on the Labrador East System. The load addition limit applies to Applicants for single service connection requests for load additions in excess of 100 kW and to Applicants requesting multiple service connections for which the total load addition of the multiple service requests exceeds 100 kW. The load addition limit to applicants for multiple services will apply to both service requests made concurrently and service requests made at different times for the period while this regulation is in effect.

All Applicants for new services and for name changes on existing services shall complete a written Electrical Service Contract. Hydro will review name change requests on existing serviced premises to ensure that the additional load required to serve the new applicant does not exceed 100 kW. The review of name change requests will also include the review of multiple name change requests and/or new service connection requests from the same Applicant to ensure that the total additional load provided to an individual Applicant will not exceed 100 kW.

When Hydro has reason to believe there are special circumstances surrounding an application for service in Labrador East that will result in the addition of load requirements of greater than 100 kW, where it may be appropriate to approve service connections and upgrades, Hydro may apply to the Board for a variance or exemption to this Regulation.

Hydro will notify the Board of all service connection or service upgrade applications refused by Hydro between September 11, 2018 and May 30, 2019.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1

DOMESTIC

Availability:

For Service on the Island Interconnected System and the L'Anse au Loup system 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: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

Not Exceeding 200 Amp Service	$16.01 per month
Exceeding 200 Amp Service	$21.01 per month

Energy Charge:

All kilowatt-hours	@ 11.391 ¢ per kWh

Minimum Monthly Charge:

Not Exceeding 200 Amp Service	$16.01 per month
Exceeding 200 Amp Service	$21.01 per month

Discount:

A discount of 1.5% of the amount of the current month's bill 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 AND LABRADOR HYDRO

RATE No. 1.1S

DOMESTIC - OPTIONAL

Availability:

Available upon request for Service on the Island Interconnected system and the L'Anse au Loup system to Customers served under Rate No. 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 Premium 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 an adjustment to reverse any seasonal adjustments applied to charges for consumption after the automatic renewal date.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.3

BURGEO SCHOOL AND LIBRARY

Availability:

For Service to Burgeo School and Library.

Rate:

Energy Charge:
All kilowatt-hours ..... @ 5.572 ¢ per kWh

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:

This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1

GENERAL SERVICE 0 - 100 kW (110 kVA)

Availability[1]:

For Service (excluding Domestic Service) on the Island Interconnected system and the L'Anse au Loup system where the maximum demand occurring in the 12 months ending with the current month is less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

Unmetered	$17.16 per month
Single Phase	$21.16 per month
Three Phase	$27.16 per month

Demand Charge:

$9.36 per kW of billing demand in the months of December, January, February and March and $6.86 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month in excess of 10 kW.

Energy Charge:

First 3,500 kilowatt-hours	@ 11.283 ¢ per kWh
All excess kilowatt-hours	@ 8.449 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 19.696 cents per kWh plus the Basic Customer Charge, but not less than Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

Unmetered	$17.16 per month
Single Phase:	$21.16 per month
Three Phase:	$33.16 per month

Discount:

A discount of 1.5% of the amount of the current month's bill 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.**

[1] This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30 kW or greater that meet the demand requirements of the rate.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability[1]:

For Service on the Island Interconnected system and the L'Anse au Loup system 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: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... $49.49 per month

Demand Charge:
$7.89 per kVA of billing demand in the months of December, January, February and March and $5.39 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 50,000 kilowatt-hours..... @ 9.610¢ per kWh
All excess kilowatt-hours ..... @ 7.729¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 19.696 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill 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.

[1] This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30 kW or greater that meet the demand requirements of the rate.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4

GENERAL SERVICE 1000 kVA AND OVER

Availability[1]:

For Service on the Island Interconnected system and the L'Anse au Loup system where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... $86.23 per month

Billing Demand Charge:
$7.59 per kVA of billing demand in the months of December, January, February and March and $5.09 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 75,000 kilowatt-hours ..... @ 9.265 ¢ per kWh
All excess kilowatt-hours..... @ 7.654 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 19.696 cents per kWh plus the Basic Customer Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Discount:

A discount of 1.5% of the amount of the current month's bill 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.**

[1] This rate is also available to fish plants in Isolated Rural Systems with a connected load of 30 kW or greater that meet the demand requirements of the rate.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service in the Rural Island Interconnected area and the L'Anse au Loup system, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate: (Including Municipal Tax and Rate Stabilization Adjustment)

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$21.53
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	17.46
150W (14,400 lumens)	21.53
250W (23,200 lumens)	29.93
400W (45,000 lumens)	41.06

[1] For all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... $6.28

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.2D

DOMESTIC DIESEL

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) 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. All churches, schools, and community halls in the diesel service areas are also subject to this rate.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: ..... $16.01 per month
Exceeding 200 Amp Service: ..... $21.01 per month

Energy Charge:
First Block (See Table Below) kilowatt-hours per month ..... @ 11.391 ¢ per kWh
Second Block (See Table Below) kilowatt-hours per month..... @ 12.838 ¢ per kWh
All kWh over 1000 kilowatt-hours per month ..... @ 17.408 ¢ per kWh

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
First Block	1000	1000	900	900	800	800	700	700	700	800	900	1000
Second Block	0	0	100	100	200	200	300	300	300	200	100	0

Minimum Monthly Charge..... $16.01
Exceeding 200 Amp Service: $21.01

Discount:

A discount of 1.5% of the amount of the current month's bill 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 AND LABRADOR HYDRO

RATE No. 1.2DS

DOMESTIC DIESEL (Non-Government First Block) - OPTIONAL

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments), available upon request for Service to Customers served under Rate 1.2 Domestic Diesel Service (First Block consumption only) who have a minimum of 12 months of uninterrupted billing history at their current Serviced Premises.

Rate:

The Energy Charges provided for in Rate No. 1.2D Domestic Diesel Service Rate shall apply, subject to the following adjustments:

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

First Block Only
All kilowatt-hours ..... @ 0.953 ¢ per kWh

Non-Winter Season Premium Adjustment (Billing months of May through November):

First Block Only
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 an adjustment to reverse any seasonal adjustments applied to charges for consumption after the automatic renewal date.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1D

GENERAL SERVICE DIESEL 0-10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge

Unmetered:	$17.21 per month
Single Phase:	$21.21 per month
Three Phase:	$27.21 per month

Energy Charge:

All kilowatt-hours	@ 17.250 ¢ per kWh

Minimum Monthly Charge: Unmetered	$17.21
Single Phase	$21.21
Three Phase	$37.11

Discount:

A discount of 1.5% of the amount of the current month's bill 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 AND LABRADOR HYDRO

RATE No. 2.2D

GENERAL SERVICE DIESEL OVER 10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate: (Including Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge:

Unmetered:	$27.19 per month
Single Phase:	$31.19 per month
Three Phase:	$37.19 per month

Demand Charge:

The maximum demand registered on the meter in the current month..... @ $13.22 per kW

Energy Charge:

All kilowatt-hours..... @ 16.790 ¢ per kWh

Minimum Monthly Charge: Unmetered	$27.19
Single Phase	$31.19
Three Phase	$64.89

Discount:

A discount of 1.5% of the amount of the current month's bill 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 AND LABRADOR HYDRO

RATE No. 4.1D

STREET AND AREA LIGHTING SERVICE DIESEL

Availability:

For Street and Area Lighting Service (excluding Government Departments) throughout the Island and Labrador diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate: (Including Municipal Tax and Rate Stabilization Adjustment)

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$21.53
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	17.46
150W (14,400 lumens)	21.53
250W (23,200 lumens)	29.93
400W (45,000 lumens)	41.06

[1] For all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... $6.28

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.2G

DOMESTIC DIESEL

GOVERNMENT DEPARTMENTS

Availability:

For Service to Government Departments throughout the Island and Labrador diesel service areas of Hydro, 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:

Basic Customer Charge ..... $55.69 per month

Energy Charge:
All kilowatt-hours ..... @ 89.164 ¢ per kWh

Minimum Monthly Charge..... $55.69

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, 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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1G

GENERAL SERVICE DIESEL 0-10 kW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge ..... $59.76 per month

Energy Charge:
All kilowatt-hours ..... @ 81.367¢ per kWh

Minimum Monthly Charge..... $59.76

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, 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 schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2G

GENERAL SERVICE DIESEL OVER 10 KW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

Basic Customer Charge: ..... $73.76 per month

Demand Charge:
The maximum demand registered on the meter in the current month..... @ $59.83 per kW

Energy Charge:
All kilowatt-hours..... @ 60.033 ¢ per kWh

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $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 AND LABRADOR HYDRO

RATE 4.1G

STREET AND AREA LIGHTING SERVICE DIESEL

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Street and Area Lighting Service to Government Departments throughout the Island and Labrador Diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$85.29
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	57.28
150W (14,400 lumens)	85.29

[1] Only High Pressure Sodium fixtures are available for all new installations and replacements.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1L

DOMESTIC

Availability:

For Service throughout the Labrador Interconnected service area of Hydro, 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:

Basic Customer Charge: ..... $7.09 per month

Energy Charge:
All kilowatt-hours ..... @ 3.255¢ per kWh

Minimum Monthly Charge $7.09

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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1L

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge:

Unmetered	$6.41 per month
Single Phase	$10.37 per month
Three Phase	$16.32 per month

Energy Charge:

All kilowatt-hours	@ 5.092 ¢ per kWh

Minimum Monthly Charge:

Unmetered	$6.41 per month
Single Phase	$10.37 per month
Three Phase	$20.00 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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2L

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, 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:

Basic Customer Charge:

Unmetered	$6.41 per month
Single Phase	$10.37 per month
Three Phase	$16.32 per month

Demand Charge:

The maximum demand registered on the meter in the current month ..... @ $1.76 per kW

Energy Charge:

All kilowatt-hours ..... @ 2.417 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

An amount equal to $1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than $20.00 for a three phase service**.**

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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3L

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, 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:

Demand Charge:
The maximum demand registered on the meter in the current month .... @ $1.97 per kVA

Energy Charge:
All kilowatt-hours..... @ 2.090 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4L

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month ..... @ $1.71 per kVA

Energy Charge:
All kilowatt-hours ..... @ 1.725¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge. The Maximum Monthly Charge shall not apply to Customers who avail of the Net Metering Service Option.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

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 schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR[1]	
250W (9,400 lumens)	$15.42
HIGH PRESSURE SODIUM [2]	
100W (8,600 lumens)	11.43
150W (14,400 lumens)	15.42
250W (23,200 lumens)	20.34
400W (45,000 lumens)	26.28

[1] Fixtures previously owned by the Town of Wabush as of September 1, 1985, and transferred to Hydro in 1987.

[2] Only High Pressure Sodium fixtures are available for all new installations and replacements installed after September 1, 2002.

Special poles used exclusively for lighting service

Wood .....$ 3.88

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.11L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro existing as of September 1, 2002.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM[1]	
100W (8,600 lumens)	$ 7.71

[1] Any new fixtures added will be at the rates set out in Rate 4.1W.

Special poles used exclusively for lighting service

Wood .....$ 3.71

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

Closed

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.12L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	$ 4.68

Special poles used exclusively for lighting service

Wood .....$ 3.88

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1L

SECONDARY ENERGY

Availability:

For Service to Customers on the Labrador Interconnected grid engaged in fuel switching who purchase a minimum of 1 MW load and a maximum of 24 MW, who provide their own transformer and, who are delivered power at primary voltages. Hydro shall supply Secondary Energy to the Customer at such times and to the extent that Hydro has Churchill Falls electricity available in excess of the amount it requires for its own use, and to meet its commitments and sales opportunities, present and future, for firm energy. Moreover, Hydro may interrupt or reduce the supply of Secondary Energy at its sole discretion for any cause whatsoever. The energy delivered shall be used solely for the operation of the equipment engaged in fuel switching.

Energy Charge:

The energy charge shall be calculated monthly based on:

EITHER:

A. The Customer's cost of fuel (cents per litre) most recently delivered to the Customer including fuel additives, if any, in accordance with the following formula:

Secondary Energy Rate = Constant Factor x Fuel Cost/Litre x 90%

$$\text{Constant Factor} = \frac{3413\ \text{BTU/kWh} \times A \times B}{C \times D}$$

Where:

A = Customer's Electric Boiler Efficiency

B = Transformer and Losses Adjustment Factor

C = BTU/Litre of the Customer's fuel

D = Customer's Oil-fired Boiler Efficiency

OR:

B. One (1) cent less than the New York Mercantile Exchange (NYMEX) settlement price for New York Independent System Operator (NYISO) Zone A Swap 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.

WHICHEVER IS GREATER

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1L

SECONDARY ENERGY

Prior to the commencement of service, the Customer will provide to Hydro the rate component values for insertion in the pricing formula for Secondary Energy. If subsequent changes to any of these rate components are required, the Customer will provide them to Hydro as soon as practicable. Hydro may require that these rate component values be verified.

Communications

The Customer and Hydro shall each designate a position within their respective staffs to be responsible for communications as to changes in the cost of the fuel delivered to the Customer. Hydro will contact the Customer's designate on or before the second working day of each month at which time the Customer's designate will inform Hydro of the fuel cost. If this information is unavailable to Hydro for any reason, Hydro will use the previous month's fuel cost and other inputs and make the adjustment to the correct values in the following month's billing.

Hydro will inform the Customer of the value of part B of the energy charge calculation on the first business day following the 21st day of the month preceding the month for which the rate is being set.

Power Factor

If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at the Customer's expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

General:

Insofar as they are not inconsistent with the forgoing, the conditions of service provided in the Rules and Regulations shall apply to Customers in this rate class.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

LABRADOR INDUSTRIAL

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 (Labrador Industrial Customer).

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

Monthly Rate:

Transmission Demand Charge (CLOSED RATE – AVAILABLE TO EXISTING CUSTOMERS ONLY)

The rate for Firm Power, as defined in the Industrial Service Agreement, shall be $1.19 per month per kilowatt of Billing Demand.

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 $0.42 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:

The billing Demand shall be equal to the greater of (i) the customer's Power on Order; (ii) the actual monthly demand in the current month; and (iii) their maximum demand in the calendar year less their interruptible demand.

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, 2019 through December 31, 2019, is $23.69/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, 2019 through December 31, 2019 the Market Block Energy Rate is $41.60/MWh.

Imbalance Energy Charge (Interim):

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.**

NEWFOUNDLAND AND LABRADOR HYDRO

LABRADOR INDUSTRIAL

SCHEDULE A

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

Month	**Development Energy Block** (MWh)
January	166,791
February	151,995
March	166,791
April	161,411
May	166,791
June	161,411
July	166,791
August	166,791
September	161,411
October	166,791
November	161,411
December	166,791

NEWFOUNDLAND AND LABRADOR HYDRO

COMMISSIONING POWER NON-FIRM RATE

Availability:

Any person purchasing power for the purpose of commissioning electrical transmission assets, 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.

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 shall be applied.

General:

Delivery of power and energy under this rate is subject to Hydro's ability to supply, and may be reduced or interrupted at the discretion of Hydro.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

Net Metering Service Option

I. Availability:

1. For Customers who use generation on their Serviced Premises to offset part or all of the electrical energy requirements of the Serviced premises. Energy generated in excess of the requirements of the Serviced Premises is permitted to be credited against the Customer's energy purchases from Hydro in accordance with this rate option.

2. Net Metering Service Option is available for any Serviced Premises that is supplied from Hydro's distribution system, is billed under one of Hydro's metered service rates, and which has generation electrically connected to it that meets the requirements of these provisions. Net Metering Service is not available for un-metered service accounts.

3. In order to avail of the Net Metering Service Option, Customers must submit a completed Net Metering Service Application to Hydro demonstrating the Customer's eligibility for Net Metering Service.

4. Availability of the Net Metering Service Option will be closed once the provincial aggregate generating capacity for Net Metering Service of 5.0 MW has been met.

5. Customers that avail of the Net Metering Service Option must maintain compliance with all requirements of this Option. Hydro shall have the right to verify compliance through inspection or testing.

II. Metering:

1. Net Metering Service will ordinarily be metered using a Company-supplied single meter capable of registering the flow of electrical energy in two directions. The meter will separately capture both the energy supplied to the Customer by Hydro and the energy supplied to Hydro by the Customer.

2. At Hydro's option, the output of the Customer's generation may be metered separately. In that case, the Customer shall provide Hydro with the access necessary to install and maintain the required metering equipment.

3. The Customer shall pay all costs to upgrade the metering equipment for Net Metering Service if the existing electrical meter at the Serviced premises is not capable of safely and reliably measuring both the energy supplied to the Customer by Hydro and the energy supplied to Hydro by the Customer.

III. Billing:

1. Each account availing of Net Metering Service will be billed on the rate normally applicable to the Customer's class of Service.

2. The Customer's net monthly bill will be determined by deducting the Customer Generation Credit from the total of all charges for Service. The Customer Generation Credit equals the Generation Energy Credit, in kilowatt-hours ("kWh") multiplied by the rate applicable to the Customer's class of Service during the billing month.

3. The "Generation Energy Credit" is the sum of the kWh energy supplied by the Customer to Hydro during the billing month plus Banked Energy Credits. The Generation Energy Credit for a billing month shall not exceed the energy supplied by Hydro to the Customer during that month.

4. "Banked Energy Credits" are the amount of kWh energy supplied by the Customer to Hydro that exceeds the kWh energy supplied by Hydro to the Customer. Banked Energy Credits in excess of those used to calculate the Generation Energy Credit for a billing month will be carried forward to the following month.

5. Settlement of Banked Energy Credits will be computed based upon the Company's marginal wholesale rate that applies to sales to Newfoundland Power for Island Interconnected customers, the imbalance rate for Labrador Interconnected customers and the excess energy rate for diesel customers, during the calendar month in which billing occurs.

6. Whenever a Customer's participation in the Net Metering Service Option is discontinued, any unused Banked Energy Credits will be settled with a credit on the Customer's next bill.

7. All customers must pay Harmonized Sales Tax (HST) on the energy supplied by Hydro to the Customer during the billing month. If a Customer availing of the Net Metering Service Option is required by law to collect HST on the energy they supply to Hydro, Hydro will pay HST to the Customer based on the amount of the Customer Generation Credit. It is the Customer's responsibility to notify Hydro in writing if they are required to collect HST on the energy they supply to Hydro.

IV. Special Conditions:

1. Special conditions in this clause do not supersede, modify or nullify the conditions accompanying the metered rate schedules applicable to the Customer's class of Service.

2. To avail of Net Metering Service, a single Customer must own and maintain responsibility for the Serviced Premises, the generation and the electrical facilities connecting it to Hydro's distribution system.

3. To qualify for Net Metering Service, the Customer's generation must meet the following requirements:

   i) be designed not to exceed the annual energy requirements of the buildings and facilities metered together on the Serviced Premises;
   ii) have a manufacturer's nameplate capacity rating totaling not more than 100 kW, except where a lower rating is stipulated by Hydro for technical reasons;
   iii) be electrically connected through Customer-owned electrical facilities to the Serviced Premises to which Net Metering Service is being provided;
   iv) produce electrical energy from a renewable energy source, including wind, solar, photovoltaic, geothermal, tidal, wave, biomass energy or other renewable energy sources that may be approved by Hydro on a case-by-case basis; and
   v) meet all applicable safety and performance standards established by the Canadian Electrical Code, the Public Safety Act and Hydro's Interconnection Requirements.

4. All Customer-owned wiring, equipment and devices associated with generation utilized for Net Metering Service shall conform to Hydro's interconnection requirements.

5. The Customer will retain the rights to any renewable energy credits or greenhouse gas-related credits arising from the use of renewable energy sources to generate electricity in accordance with this Option.

6. A Customer availing of Net Metering Service is responsible for all costs associated with their own facilities. The Customer shall also be required to pay all costs incurred by Hydro to modify the utility supply for the provision of Net Metering Service, and for necessary engineering or technical studies required in connection with the provision of Net Metering Service to the Customer.

7. The approval of an application for Net Metering Service will be subject to the

applicant entering into a Net Metering Interconnection Agreement with Hydro.

8. If an applicant approved for Net Metering Service does not proceed with operation of its generation in accordance with its approval within two years from the date of Hydro's approval of the application, the approval will be rescinded.

9. Approval of Net Metering Service may be revoked if a Customer is found to be in violation of provisions of Hydro's Rules and Regulations.

10. If participation in the Net Metering Service Option is discontinued, the Customer must re-apply to Hydro to avail of the Net Metering Service Option.