

P.U. 23(2003)

IN THE MATTER OF the *Public Utilities Act*
R.S.N. 1990, Chapter P-47 (the “*Act*”)

AND IN THE MATTER OF a General Rate
Application by Newfoundland Power Inc. (“NP”), filed
pursuant to Order No. P.U. 22(2002-2003)

AND IN THE MATTER OF a filing by
NP pursuant to Order No. P.U. 19(2003)
issued in connection with the Application.

WHEREAS pursuant to Order No. P.U. 22(2002-2003) NP filed a General Rate Application (the “Application”) with the Newfoundland and Labrador Board of Commissioners of Public Utilities (the “Board”) on October 11, 2002, which Application was amended on February 10, 2003, for an Order or Orders of the Board approving among other things, the proposed rates for the various customers of NP, to be effective August 1, 2003; and

WHEREAS pursuant to Section 75 of the *Act* the Board issued Order No. P.U. 35(2002-2003) on December 19, 2002, approving on an interim basis from January 1, 2003 the current schedule of rates, tolls and charges (the “Interim Rates Order”) as approved in Order No. P.U. 22(2002-2003), to remain in effect until further order of the Board following hearing of the Application; and

WHEREAS on June 20, 2003, after holding a public hearing, the Board issued Order No. P.U. 19(2003) directing NP to, *inter alia*:

- (1) calculate and file a revised average rate base and return on rate base for 2003 and 2004, based on its proposals in the Application, incorporating the changes as set out in Order No. P.U. 19(2003), including the use of a return on common equity of 9.75% to calculate the weighted average cost of capital for the 2003 and 2004 test years, and the Board's decision to move to the Asset Rate Base method of determining rate base;
- (2) calculate and file a revised total revenue requirement for the 2003 and 2004 test years based on its proposals in the Application, incorporating the changes set out in Order No. P.U. 19(2003);
- (3) file a proposal for the approval of the Board for rebating the 2001 excess earnings of \$944,000 to customers;
- (4) file a revised Schedule of Rates, Tolls and Charges which shall become effective for monthly bills issued August 1, 2003 through to December 31, 2004, based on its proposals in the Application, incorporating the changes set out in Order No. P.U. 19(2003), including the recommendations of the Mediation Report filed by the parties as part of the hearing of the Application and accepted by the Board;
- (5) file a proposal as to the finalization of interim rates as set by Order No. P.U. 35(2002-2003) and the disposition of any variance between revenue generated based on those interim rates and the revised 2003 test year revenue requirement;
- (6) file revised Rules and Regulations, based in its proposals in the Application, incorporating the changes set out in Order No. P.U. 19(2003), including the recommendations of the Mediation Report filed by the parties as part of the hearing of the Application and accepted

by the Board; and

- (7) file a revised definition of “excess earnings” in its system of accounts to reflect earnings above the maximum of the allowed range of rate of return on rate base; and

WHEREAS on July 8, 2003 NP submitted the filing with the Board as required by Order No. P.U. 19(2003), including supporting Schedules, and which filing proposed changes to electricity rates resulting in:

- (1) an average decrease in electrical rates of 0.15% effective on monthly bills issued on and after August 1, 2003; and
- (2) a rebate to customers totalling \$3,640,000 to be credited to customer’s bills in September 2003, with each customer rebate based upon that customer’s bill for the 12-month period ending July 31, 2003; and

WHEREAS NP’s filing also proposed the following additional changes to its Rules and Regulations in addition to those changes approved in Order No. P.U. 19(2003):

- (1) the name of the Board is changed to include Labrador;
- (2) clause 4 of the Rate Stabilization Clause which provides the annual kWhs by street lighting fixture is modified to reflect the elimination of the rates for 700 watt MV and 1000 watt MV; and
- (3) clause 5 of the Rate Stabilization Clause is deleted as it dealt with the pass through of Newfoundland and Labrador Hydro’s 2002 rate increase which has now effectively occurred; and

WHEREAS the Board has reviewed NP's filing of July 8, 2003 and confirmed that the filing incorporates the decisions of the Board as set out in Order No. P.U. 19(2003).

IT IS THEREFORE ORDERED THAT:

1. The forecast average rate base for 2003 and 2004 is hereby fixed and determined to be \$672,215,000 and \$703,102,000 respectively.
2. The Board hereby fixes and determines a rate of return on rate base for 2003 of 8.96% and for 2004 of 8.91%.
3. The allowed range of rate of return on rate base for 2003 shall be 8.78% to 9.14% and for 2004 shall be 8.73% to 9.09%.
4. Pursuant to Section 70(1) of the *Act*, the Board hereby approves the Schedule of Rates, Tolls and Charges of NP attached hereto and marked Schedule "A", to be effective on monthly bills issued on and after August 1, 2003, as well as other charges which are billed on and after that date.
5. The Board hereby approves NP's proposal for the rebate of 2001 excess revenue of \$944,000 plus HST to customers.

6. Pursuant to Section 75(3) of the *Act* the Board hereby approves NP's proposal to rebate an amount of \$2,696,000, which is the variance between revenue generated based upon 2003 interim rates and the revised 2003 test year revenue requirement, plus HST, to customers.
7. NP shall file a report to the Board no later than October 31, 2003, illustrating the distribution of the rebate in the amount of \$3,640,000 to the various customer classes using actual revenues for the 12 months ending July 2003.
8. Pursuant to Section 71 of the *Act* the Board hereby approves the Rules and Regulations attached hereto as Schedule "B", to be effective August 1, 2003.
9. The Board hereby approves the revised definition of the Excess Revenue Account attached hereto and marked as Schedule "C".

DATED at St. John's, Newfoundland and Labrador, this 21st day of July 2003.

Robert Noseworthy,
Chair and Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chair

John William Finn, Q.C.
Commissioner.

G. Cheryl Blundon,
Director of Corporate Services
and Board Secretary.

SCHEDULE A

**NEWFOUNDLAND POWER INC.
RATE #1.1
DOMESTIC SERVICE**

Availability:

For Service to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$15.42 per month

Energy Charge:
All kilowatt-hours @ 6.683 ¢ per kWh

Minimum Monthly Charge \$15.42 per month

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

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

NEWFOUNDLAND POWER INC.
RATE #2.1
GENERAL SERVICE 0-10 kW

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$17.69 per month

Energy Charge:
All kilowatt-hours @ 8.835 ¢ per kWh

Minimum Monthly Charge, Single Phase \$17.69 per month
Three Phase \$35.38 per month

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

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

NEWFOUNDLAND POWER INC.
RATE #2.2
GENERAL SERVICE 10-100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$20.35 per month

Demand Charge:

\$7.75 per kW of billing demand in the months of December, January, February and March and \$7.02 per kW in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kW of billing demand @ 6.928 ¢ per kWh

All excess kilowatt-hours @ 4.233¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 14.3 cents per kWh plus the Basic Customer Charge, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

Single Phase \$20.35 per month

Three Phase \$35.38 per month

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #2.3
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$91.61 per month

Demand Charge:

\$6.72 per kVA of billing demand in the months of December, January, February and March and \$5.99 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 150 kilowatt-hours per kVA of billing demand,
up to a maximum of 30,000 kilowatt-hours @ 6.593 ¢ per kWh
All excess kilowatt-hours @ 4.124 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 14.3 cents per kWh plus the Basic Customer Charge.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00 will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular, Regulation 7(n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #2.4
GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service where the maximum demand occurring in the 12 months ending with the current month is 1000 kilovolt-amperes or greater.

Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

Basic Customer Charge: \$183.23 per month

Demand Charge:

\$6.41 per kVA of billing demand in the months of December, January, February and March and \$5.68 per kVA in all other months. The billing demand shall be the maximum demand registered on the meter in the current month.

Energy Charge:

First 100,000 kilowatt-hours @ 5.363 ¢ per kWh
All excess kilowatt-hours @ 4.026 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 14.3 cents per kWh plus the Basic Customer Charge.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00 will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular, Regulation 7(n)], transformation [in particular, Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND POWER INC.
RATE #4.1
STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service where the electricity is supplied by the Company and all fixtures, wiring and controls are provided, owned and maintained by the Company.

Monthly Rate: (Excludes Municipal Tax and Rate Stabilization Adjustments)

	Sentinel/Standard	Post Top
High Pressure Sodium*		
100W (8,600 lumens)	\$13.23	\$13.70
150W (14,400 lumens)	16.31	-
250W (23,200 lumens)	21.21	-
400W (45,000 lumens)	27.51	-

* For all new installations and replacements.

Mercury Vapour

175W (7,000 lumens)	\$13.23	\$13.70
250W (9,400 lumens)	16.31	-
400W (17,200 lumens)	21.21	-

Special poles used exclusively for lighting service**

Wood	\$ 6.36
30' Concrete or Metal, direct buried	9.95
45' Concrete or Metal, direct buried	16.35
25' Concrete or Metal, Post Top, direct buried	8.06

Underground Wiring (per run)**

All sizes and types of fixtures	\$13.21
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** Where a pole or underground wiring run serves two fixtures paid for by different parties, the above rates for such poles and underground wiring may be shared equally between the two parties.

General:

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

**NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Availability:

For Customers billed on Rate #2.3 or #2.4 that can reduce their demand ("Curtail") by between 300 kW (330 kVA) and 5000 kW (5500 kVA) upon request by the Company during the Winter Peak Period. The Winter Peak Period is between 8 a.m. and 9 p.m. daily during the calendar months of December, January, February and March. The ability of a Customer to Curtail must be demonstrated to the Company's satisfaction prior to the Customer's availing of this rate option.

Credit for Curtailing:

If the Customer Curtails as requested for the duration of a Winter, the Company shall credit to the Customer's account the Curtailment Credit during May billing immediately following that Winter. The Curtailment Credit shall be determined by one of the following options:

Option 1:

The Customer will contract to reduce demand by a specific amount during Curtailment periods (the "Contracted Demand Reduction"). The Curtailment Credit for Option 1 is determined as follows:

Curtailment Credit = Contracted Demand Reduction x \$29 per kVA

Option 2:

The Customer will contract to reduce demand to a Firm Demand level which the Customer's maximum demand must not exceed during a Curtailment period. The Curtailment Credit for Option 2 is determined as follows:

Maximum Demand Curtailed = (Maximum Winter Demand - Firm Demand)

Peak Period Load Factor =
$$\frac{\text{kWh usage during Peak Period}}{(\text{Maximum Demand during Peak Period} \times 1573 \text{ hours})}$$

Curtailment Credit = ((Maximum Demand Curtailed x 50%) + (Maximum Demand Curtailed x 50% x Peak Period Load Factor)) x \$29 per kVA

Limitations on Requests to Curtail:

Curtailment periods will:

1. Not exceed 6 hours duration for any one occurrence.
2. Not be requested to start within 2 hours of the expiration of a prior Curtailment period.
3. Not exceed 100 hours duration in total during a winter period.

The Company shall request the Customer to Curtail at least 1 hour prior to the commencement of the Curtailment period.

**NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Failure to Curtail:

Failure to Curtail under Option 1 occurs when a Customer does not reduce its demand by the Contracted Demand Reduction for the duration of a Curtailment period. Failure to Curtail under Option 2 occurs when a Customer does not reduce its demand to the Firm Demand level or below for the duration of a Curtailment period.

The Curtailment Credit will be reduced by 50% as a result of the first failure to Curtail during a Winter. For each additional failure to Curtail, the Curtailment Credit will be reduced by a further 25% of the Curtailment Credit. If the Customer fails to Curtail three times during a Winter, the Customer forfeits 100% of the Curtailment Credit and the Customer will no longer be entitled to service under the Curtailable Service Option.

Notwithstanding the previous paragraph, no Curtailment Credit will be provided if the number of failures to Curtail equals the number of Curtailment requests.

Termination/Modification:

The Company requires six months written notice of the Customer's intention to either discontinue Curtailable Service Option or to modify the Contracted Demand Reduction or Firm Demand level.

General:

Services billed on this Service Option will have approved load monitoring equipment installed. For a customer that Curtails by using its own generation in parallel with the Company's electrical system, all Company interconnection guidelines will apply, and the Company has the option of monitoring the output of the Customer's generation. All costs associated with equipment required to monitor the Customer's generation will be charged to the Customer's account.

SCHEDULE B

NEWFOUNDLAND POWER INC.

RULES AND REGULATIONS

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1. INTERPRETATION:

- (a) In these Rates, Rules and Regulations the following definitions shall apply:
- (i) "Act" means The Public Utilities Act RSN 1970 c. 322 as amended from time to time.
 - (ii) "Applicant" means any person who applies for Service.
 - (iii) "Board" means the Board of Commissioners of Public Utilities of Newfoundland and Labrador.
 - (iv) "Company" means Newfoundland Power Inc.
 - (v) "Customer" means any person who accepts or agrees to accept Service.
 - (vi) "Disconnected" or "Disconnect" in reference to a Service means the physical interruption of the supply of electricity thereto.
 - (vii) "Discontinued" or "Discontinue" in reference to a Service means to terminate the Customer's on-going responsibility with respect to the Service.
 - (viii) "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.
 - (ix) "Service" means any service(s) provided by the Company pursuant to these Regulations.
 - (x) "Serviced Premises" means the premises at which Service is delivered to the Customer.
- (b) Unless the context requires otherwise these Rates, Rules and Regulations 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) The Company shall provide the following classes of Service:
- (i) Domestic Service
 - (ii) General Service, 0-10 kW
 - (iii) General Service, 10-100 kW (110 kVA)
 - (iv) General Service, 110 kVA (100 kW) - 1000 kVA
 - (v) General Service, 1000 kVA and Over
 - (vi) Street and Area Lighting Service

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- (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 the Company, 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 the Company, shall complete a written Electrical Service Contract.
- (b) An application for Service, when accepted by the Company, constitutes a binding contract between the Applicant and the Company 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) The Company 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).

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(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 the Company 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 the company pursuant to its Customer Deposit Policy as approved by the Board, from time to time.
- (b) The Company 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 the Company.

- (b) Service shall be supplied at single phase 120/240 volts where the maximum demand is estimated by the Company to be less than 75 kW. Where the maximum demand is estimated to be 75 kW or greater, service shall normally be supplied at one of the standard three-phase voltages.

The Company may, if requested by the Customer, provide a three-phase supply where the maximum demand is estimated to be less than 75 kW, if a contribution in aid of construction is paid to the Company to cover the cost of transformers, equipment and any line extensions or upgrades required to provide three-phase service.

To determine the contribution required, the cost to provide three-phase service will be reduced by the value of any single-phase plant supported by the projected revenue from the Customer, as calculated in accordance with the Company's distribution line contribution in aid of construction policy applicable to General Service Customers. Where the necessary equipment and transformer capacity already exists at the location in question, no contribution in aid of construction will be required to provide the three-phase voltage.

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- (c) The Company shall not be required to provide services at 50 hertz except to those Serviced Premises receiving 50 hertz power continuously since May 13, 1977.
- (d) The Company shall determine the point at which power and energy is delivered from the Company's facilities to the Customer's electrical system.
- (e) Service entrances shall be in a location satisfactory to the Company and, except as otherwise approved by the Company, shall be wired for outdoor meters.
- (f) Where the Company 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 the Company provide and install, at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference.
- (g)
 - (i) Any Customer having a connected load or a normal operating demand of more than 25 kilowatts, in areas served by underground wiring or where space limitations or aesthetic reasons make it impractical to use a pole mounted transformer bank or pad transformer, shall, on request of the Company, provide at its expense a suitable vault or enclosure on the Serviced Premises for exclusive use by the Company 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 the Company's system which cannot be accommodated in the Company's existing vaults or structures, the Customer shall, on request of the Company, provide at the Customer's expense such additional space in its vault or enclosure as the Company shall require to accommodate the additional equipment.
- (h) The Customer shall not use a Service for across the line starting of motors rated over 10 horsepower, except where specifically approved by the Company.
- (i) For Services having rates based on kilowatt demand, the average power factor shall not be less than 90%. The Company, 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 the Company provide, at his expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.
- (j) The Company shall provide transformation for Service up to 500 kVA where the required service voltage is one of the Company's standard service voltages and installation is in accordance with the Company's standards. In other circumstances, the Company, on such conditions as it deems acceptable, may provide the transformation.

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- (k) 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 the Company's specifications. However, the provision of Service shall not in any way be construed as acceptance by the Company of the Customer's electrical system.
- (l) 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 the Company.

6. SERVICE STANDARDS - STREET AND AREA LIGHTING SERVICE:

- (a) For Street and Area Lighting Service the Company shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4200 hours per year. The Company shall, subject to Regulation 9 (i) make all repairs necessary to maintain service.
- (b) The Company shall supply the energy required and shall provide and maintain the illuminating fixtures and lamps together with necessary overhead or underground conductors, control equipment and other devices.
- (c) The Company shall not be required to provide Street And Area Lighting Service where, in the opinion of the Company, 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) The Company 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 the Company 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) The Company does not guarantee that fixtures used for Street And Area Lighting Service will illuminate any specific area.
- (g) The Company 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.

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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 the Company, 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 non-domestic purposes exceeding 3000 watts, exclusive of space heating, the Service shall not qualify for the Domestic Service Rate.
- (g) The Company shall not be required to provide more than one meter per Service, however submetering 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 the Company, 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 demand is less than 10 kW.

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- (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 the Company's personnel and are suitably protected. Unless otherwise approved by the Company, meters shall be located outdoors and shall not subsequently be enclosed.
- (l) If a meter is located indoors and Company 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 the Company, 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 the Company is unable to resolve the matter with the Customer then either the Customer or the Company 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 the Company. Should the test confirm the accuracy of the meter, the costs involved shall be borne by the party requesting the test. The Company may require a Customer to deposit with the Company 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 the Company be at the primary distribution level. When metering is at the primary distribution voltage (4 - 25 kV) the monthly demand and energy consumption shall be reduced by 1.5%.

8. METER READING:

- (a) Where reasonably possible the Company shall read meters monthly provided that the Company 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 the Company will estimate the readings for all other months.

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- (b) If the Company is unable to obtain a meter reading due to circumstances beyond its reasonable control, the Company 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 the Company 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 the Company 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 the Company 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 the Company 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 the Company 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 the Company for the distribution of electricity. This charge shall not apply to Company 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 normal office hours or \$40.00 if it is done at other times.

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- (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, poles, and/or underground wiring, 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 and/or underground wiring 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 and underground wiring.
- (i) Where Street and Area Lighting fixtures or lamps are wantonly, wilfully, or negligently damaged or destroyed (other than through the negligence of the Company), the Company, 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 the Company within thirty days of the date on the letter and agrees to pay the repair costs in advance and all future repair costs, the Company will replace the fixture and rental charges will recommence. If any future repair costs are not paid within three months of the date invoiced, the Company, 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 the Company 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 the Company.

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RULES AND REGULATIONS

- (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:
- | | |
|------------------------------------|----------------|
| (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 |
- (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 the Company, 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) (deleted)
- (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 Service Premises for which a landlord agreement pursuant to Regulation 11(f) is in effect.

10. BILLING:

- (a) The Company shall bill the Customer monthly for charges for Service. However, when a Service is disconnected or a bill is revised the Company 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 the Company 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, the Company may 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 is not honoured for insufficient funds, a charge of \$10.00 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.

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- (f) Where between normal meter reading dates, one Customer assumes from another Customer the responsibility for a metered Service, or a Service is Discontinued, the Company may base the billing on an estimate of the reading as of the date of change.
- (g) Where a Customer has been underbilled due to an error on the part of the Company or due to an act or omission by a third party, the Customer may, at the discretion of the Company, be relieved of the responsibility for all or any part of the amount of the underbilling.

11. DISCONTINUANCE OF SERVICE:

- (a) A Service may be Discontinued by the Customer at any time upon prior notice to the Company provided that the Company may require 10 days prior notice in writing.
- (b) A Service may be Discontinued by the Company 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.
 - (ii) fails to provide security or guarantee for the Service required under Regulation 4.
- (c) A Service may be Discontinued by the Company without notice if the Service was Disconnected pursuant to Regulation 12, and has remained Disconnected for over 30 consecutive days.
- (d) When the Company 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 the Company and subject to Regulation 12(a), remain connected.
- (f) A landlord may sign an agreement with the Company to accept charges for Service provided to a rental premise for all periods when the Company does not have a contract for Service with a tenant for that premise.

NEWFOUNDLAND POWER INC.

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12. DISCONNECTION OF SERVICE:

- (a) The Company shall Disconnect a Service within 10 days of receipt of a written request from the Customer.
- (b) The Company 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 the Company 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 the Company's wires which is within the minimum clearances recommended by the Canadian Standards Association, or
 - (vi) when ordered to do so by any authority having the legal right to issue such order.
- (c) The Company may, in accordance with its Collection Policies filed with the Board, 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) The Company 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) The Company may refuse to reconnect a Service if the Customer is in violation of any provisions of these Regulations or if the Customer has a bill for any Service which is unpaid.
- (f) The Company may Disconnect a Service to make repairs or alterations. Where reasonable and practical the Company shall give prior notice to the Customer.
- (g) The Company may Disconnect the Service to a rental premises where the landlord has an agreement with the Company authorizing the Company to Disconnect the Service for periods when the Company does not have a contract for Service with a tenant of that premises.

13. PROPERTY RIGHTS:

- (a) The Customer shall provide the Company with space and cleared rights-of-way on private property for the line(s) and facilities required to serve the Customer.
- (b) The Company shall have the right to install, remove or replace such of its property as it deems necessary.

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- (c) The Customer shall provide the Company 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 the Company shall remain the property of the Company unless otherwise agreed in writing.
- (e) The Customer shall not unreasonably interfere with the Company's access to its property.
- (f) The Customer shall not attach wire, cables, clotheslines or any other fixtures to the Company's poles or other property except by prior written permission of the Company.
- (g) The Customer shall allow the Company 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 the Company's easement lands or alter the grade of such easements by more than 20 centimetres, without the prior approval of the Company.

14. COMPANY LIABILITY:

The Company 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 the reasonable control of the Company.

15. GENERAL:

- (a) No employee, representative or agent of the Company has the 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 the Company.
- (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 the Company to the Customer's last known address, whichever is sooner.

NEWFOUNDLAND POWER INC.

RATE STABILIZATION CLAUSE

The Company shall include a rate stabilization adjustment in its rates. This adjustment shall be recalculated on July 1 of each year, to reflect the accumulated balance in the Company's Rate Stabilization Account ("RSA") as of December 31st of the previous year and any change in the rates charged to the Company by Newfoundland and Labrador Hydro ("Hydro") as a result of the operation of its Rate Stabilization Plan.

I. RATE STABILIZATION ADJUSTMENT ("A")

The Rate Stabilization Adjustment ("A") shall be recalculated annually, effective the first day of July in each year, to amortize over the following twelve (12) month period the annual amount designated to be billed by Hydro to the Company, and the balance in the Company's RSA. The adjustment expressed in cents per kilowatt-hour and calculated to the nearest 0.001 cent shall be calculated as follows:

$$\frac{B + C}{D}$$

Where:

- B = the annual amount designated to be billed by Hydro during the next twelve (12) months commencing July 1 as a result of the operation of Hydro's Rate Stabilization Plan.
- C = the balance in the Company's RSA as of December 31st of the previous year.
- D = the total kilowatt-hours sold by the Company in the previous calendar year.

II. RATE STABILIZATION ACCOUNT ("RSA")

The Company shall maintain a RSA which shall be increased or reduced by the following amounts expressed in dollars:

1. At the end of each month the RSA shall be:
 - (i) increased (reduced) by the amount actually charged (credited) to the Company by Hydro during the month as the result of the operation of its Rate Stabilization Plan calculated as follows:

$$\frac{B \times F}{E}$$

NEWFOUNDLAND POWER INC.

RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

Where:

- B = corresponds to the B above.
- E = the total kilowatt-hours of energy (including secondary energy) sold by Hydro to the Company during the calendar year preceding the date the Rate Stabilization Adjustment is recalculated.
- F = the total kilowatt-hours of energy (including secondary energy) sold by Hydro to the Company during the month.
- (ii) increased (reduced) by the excess cost of fuel used by the Company during the month calculated as follows:

$$(G/H - P) \times H$$

Where:

- G = the cost in dollars of fuel and additives used during the month in the Company's thermal plants to generate electricity other than that generated at the request of Hydro.
- H = the net kilowatt-hours generated in the month in the Company's thermal plants other than electricity generated at the request of Hydro.
- P = the base rate in dollars per kilowatt-hour paid during the month by the Company to Hydro for firm energy.
- (iii) reduced by the price differential of firmed-up secondary energy calculated as follows:

$$(P - J) \times K$$

Where:

- J = the price in dollars per kilowatt-hour paid by the Company to Hydro during the month for secondary energy supplied by Deer Lake Power and delivered as firm energy to the Company.
- K = the kilowatt-hours of such secondary energy supplied to the Company during the month.
- P = corresponds to P above.

NEWFOUNDLAND POWER INC.

RATE STABILIZATION CLAUSE

II. RATE STABILIZATION ACCOUNT ("RSA") (Cont'd)

- (iv) reduced (increased) by the amount billed by the Company during the month as the result of the operation of the Rate Stabilization Clause calculated as follows:

$$\frac{L \times A}{100}$$

Where:

- L = the total kilowatt-hours sold by the Company during the month.
- A = the Rate Stabilization Adjustment in effect during the month expressed in cents per kilowatt-hour.

- (v) increased (reduced) by an interest charge (credit) on the balance in the RSA at the beginning of the month, at a monthly rate equivalent to the mid-point of the Company's allowed rate of return on rate base.

2. On the 31st of December in each year, commencing in 1989, the RSA shall be increased (reduced) by the amount that the Company billed customers under the Municipal Tax Clause for the previous calendar year is less (or greater) than the amount of municipal taxes for that year.
3. The RSA shall, from time to time, be reduced by the amount of any refund to the Company from Hydro resulting from the operation of the coverage cap provision in Hydro's Rate Stabilization Plan.
4. The annual kilowatt-hours used in calculating the Rate Stabilization Adjustment to the monthly streetlighting rates are as follows:

	Fixture Size (watts)				
	<u>100</u>	<u>150</u>	<u>175</u>	<u>250</u>	<u>400</u>
Mercury Vapour	-	-	840	1,189	1,869
High Pressure Sodium	546	802	-	1,273	1,995

5. (deleted)

NEWFOUNDLAND POWER INC.

RATE STABILIZATION CLAUSE

III. RATE CHANGES

The energy charges in each rate classification (other than the energy charge in the "Maximum Monthly Charge" in classifications having a demand charge) shall be adjusted annually effective the first day of July in each year, to reflect the changes in the Rate Stabilization Adjustment. The new energy charges shall be determined by subtracting the previous Rate Stabilization Adjustment from the previous energy charges and adding the new Rate Stabilization Adjustment. The new energy charges shall apply to all bills based on meter readings taken on and after the first of July.

NEWFOUNDLAND POWER INC.

MUNICIPAL TAX CLAUSE

I. MUNICIPAL TAX ADJUSTMENT ("MTA")

The Company shall include a MTA in its rates to reflect taxes charged to the Company by municipalities.

A MTA factor shall be calculated annually, effective the first day of July in each year, to collect over the following twelve (12) month period, an amount to cover municipal taxes. The MTA factor rounded to the nearest fifth decimal shall be calculated as follows:

$$\frac{X}{Y} + 1.00000$$

Where:

X = the amount of all municipal taxes paid by the Company in the previous calendar year.

Y = the amount of revenue earned by the Company in the previous calendar year less the amount collected by the Company under the Municipal Tax Clause in that year.

The MTA factor shall apply to all charges in all rate descriptions. These charges shall be adjusted annually effective the first day of July in each year to reflect changes in the MTA factor. The new charges rounded to the nearest significant number expressed in the rate descriptions shall be determined by multiplying each charge by the MTA factor. The new charges shall apply to all bills based on meter readings taken on and after the first day of July.

The MTA factor shall be applied after application of the Rate Stabilization Adjustment.

SCHEDULE C

Newfoundland Power Inc.

Excess Earnings Account

Current Definition

3.05 Excess Revenue Account

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This account shall be credited with any revenue in excess of the upper limit of the allowed range of return on rate base as determined by the Board. Disposition of any balance in this account shall be as determined by the Board. For 1998 all earnings in excess of 9.99% rate of return on rate base, for 1999 all earnings in excess of 10.16% rate of return on rate base, for 2000 and 2001 all earnings in excess of 10.46% rate of return on rate base, and for 2002 and subsequent years all earnings in excess of 10.24% rate of return on rate base shall, unless otherwise ordered by the Board, be credited to this account.

Proposed Definition

3.05 Excess Earnings Account

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This account shall be credited with any earnings in excess of the upper limit of the allowed range of return on rate base as determined by the Board, plus the amount of any applicable income taxes calculated at the prevailing income tax rate in that year. Disposition of any balance in this account shall be as determined by the Board. For 2003 all earnings in excess of 9.14% rate of return on rate base, and for 2004 and subsequent years all earnings in excess of 9.09% rate of return on rate base shall, unless otherwise ordered by the Board, be credited to this account.