

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

AN ORDER OF THE BOARD

NO. P. U. 12(2009)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the “*Act*”), as amended;

5
6 **AND**

7
8 **IN THE MATTER OF** an Application by
9 Newfoundland Power Inc. (“Newfoundland
10 Power”) for approval of the balance in the
11 Weather Normalization Reserve as of
12 December 31, 2008 pursuant to Sections 69(3)
13 and 78 of the *Act* (the “Application”).
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16

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

21 **WHEREAS** by Order No. P. U. 1(1974) the Board ordered Newfoundland Power to provide a
22 reserve out of its revenue to normalize for the average degree days (the Degree Day Normalization
23 Reserve) and to combine the balance in this reserve with the balance in the Hydro Production
24 Equalization Reserve established pursuant to Order No. P. U. 32(1968) to create a combined reserve
25 referred to as the Weather Normalization Reserve; and
26

27 **WHEREAS** by Order No. P. U. 32(2007) the Board ordered Newfoundland Power to amortize the
28 recovery of \$6,800,000 of the balance in the Degree Day Normalization Reserve over a five-year
29 period beginning in 2008; and
30

31 **WHEREAS** by Order No. P. U. 7(2008) the Board approved Newfoundland Power’s Weather
32 Normalization Reserve as of December 31, 2007, at which time there was a negative balance in the
33 reserve of \$10,516,682; and
34

35 **WHEREAS** Newfoundland Power has reported to the Board that its Weather Normalization
36 Reserve as of December 31, 2008 is a negative balance of \$5,910,271; and

1 **WHEREAS** the Board is satisfied from the Application and Affidavit that the reserve at December
2 31, 2008, properly reflects the effect that degree days and hydro equalization have had on the
3 operation of Newfoundland Power from January 1, 2008 to December 31, 2008, and the Board's
4 approval of the amortization of the recovery of \$6,800,000 of the balance in the Degree Day
5 Normalization Reserve over five years beginning in 2008.

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7 **IT IS THEREFORE ORDERED THAT:**

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9 1. The Board approves Newfoundland Power's Weather Normalization Reserve of a negative
10 balance of \$5,910,271 as of December 31, 2008, pursuant to subsections 69(3) and 78 of the
11 *Act*.
12
13 2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this
14 Application.

DATED at St. John's, Newfoundland and Labrador this 20th day of March 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B
Commissioner

Cheryl Blundon
Board Secretary