

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

**AN ORDER OF THE BOARD  
NO. P. U. 14(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 and Labrador Hydro ("Hydro")  
10 for approval of a deferral account to allow the  
11 deferred recovery of certain 2009 costs associated  
12 with an energy conservation program to be  
13 implemented in 2009.

14  
15 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is  
16 a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*; and  
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18 **WHEREAS** on November 21, 2008 Hydro filed an application with the Board requesting  
19 approval of the deferred recovery of the actual 2009 costs to be incurred by Hydro in association  
20 with the implementation of an energy conservation program in 2009, which are estimated to be  
21 approximately \$1.8 million (the "Application"); and  
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23 **WHEREAS** the Application was circulated to the Consumer Advocate, Hydro's Island  
24 Industrial Customers and Newfoundland Power; and  
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26 **WHEREAS** on January 14, 2009 and February 5, 2009 the Board issued requests for  
27 information to Hydro and these questions were answered on January 20, 2009 and February 9,  
28 2009; and  
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30 **WHEREAS** Newfoundland Power confirmed in correspondence dated January 29, 2009 that it  
31 supports Hydro's Application; and  
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33 **WHEREAS** the Board did not receive submissions from the Consumer Advocate or Hydro's  
34 Island Industrial Customers in relation to the Application; and  
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36 **WHEREAS** the energy conservation program to be implemented by Hydro in 2009 flows from a  
37 conservation program initiative which is ongoing jointly with Newfoundland Power; and

1 **WHEREAS** on March 20, 2008 Hydro and Newfoundland Power jointly filed with the Board a  
2 conservation and demand management potential study prepared by Marbek Resource  
3 Consultants which identified the potential contribution of specific technologies and measures in  
4 reducing forecast electricity consumption (the “Potential Study”); and  
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6 **WHEREAS** on June 27, 2008, pursuant to Order No. P.U. 7(2008), a Five-Year Energy  
7 Conservation Plan: 2008-2013 (the “Conservation Plan”) was filed with the Board which sets out  
8 the customer energy conservation programs proposed to be jointly implemented by Hydro and  
9 Newfoundland Power; and  
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11 **WHEREAS** the Potential Study and the Conservation Plan were outstanding at Hydro’s last  
12 general rate application and in Order No. P.U. 8 (2007) the Board concluded that it was prudent  
13 and practical at the time to await the results of the joint initiative noting that the results would be  
14 valuable in determining what energy conservation programs should be employed by each utility;  
15 and  
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17 **WHEREAS** in the Application Hydro proposes to defer its 2009 costs in relation to the  
18 implementation of the Conservation Plan as does Newfoundland Power in a separate application  
19 before the Board; and  
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21 **WHEREAS** the Board is satisfied that the 2009 costs to be incurred by Hydro in connection  
22 with the proposed 2009 Conservation Plan are reasonable and prudent costs which were not  
23 reflected in Hydro’s 2007 test year costs approved in Order No. P.U. 8(2007) and therefore the  
24 Board will approve the creation of a deferral account as proposed by Hydro in the Application  
25 (the “Conservation Cost Deferral Account”) to provide for the deferred recovery of Hydro’s  
26 2009 costs associated with the implementation of the Conservation Plan in 2009.  
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28 **IT IS THEREFORE ORDERED THAT:**  
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- 30 1. The Board approves the creation of a Conservation Cost Deferral Account to provide for  
31 the deferred recovery, until a further Order of the Board, of 2009 costs related to the  
32 implementation of the Conservation Plan, estimated to be \$1.8 million.  
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- 34 2. Hydro shall file a definition of the Conservation Cost Deferral Account with the Board  
35 within 30 days of this Order.  
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- 37 3. Hydro shall provide, as part of its 2009 annual report, a report on the Conservation Plan  
38 initiatives implemented in 2009, including a description of specific initiatives, the results  
39 and the associated costs.  
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- 41 4. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 25<sup>th</sup> day of March 2009.

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Andy Wells  
Chair & Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chair

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Dwanda Newman, LL.B  
Commissioner

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Cheryl Blundon  
Board Secretary