

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

**AN ORDER OF THE BOARD**

**NO. P.U. 33(2023)**

1 **IN THE MATTER OF the Electrical Power**  
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1  
3 (the “**EPCA**”) and the **Public Utilities Act**,  
4 RSNL 1990, Chapter P-47 (the “**Act**”), as  
5 amended, and regulations thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for approval  
9 of a deferral account to provide for recovery of  
10 costs for electrification programs under its  
11 Electrification, Conservation and Demand  
12 Management Plan pursuant to subsection 58  
13 of the **Act**.  
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16 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing  
17 under the **Hydro Corporation Act, 2007**, is a public utility within the meaning of the **Act**, and is  
18 also subject to the provisions of the **EPCA**; and  
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20 **WHEREAS** in Order No. P.U. 33(2022) relating to Hydro’s Electrification, Conservation and Demand  
21 Management Plan 2021-2025 application the Board denied Hydro’s proposed combined deferral  
22 account for Electrification and Conservation and Demand Management and stated that Hydro  
23 should request approval of a cost deferral account for electrification initiatives separate from its  
24 existing Conservation and Demand Management Cost Deferral Account; and  
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26 **WHEREAS** on December 4, 2023, in compliance with Order No. P.U. 33(2022), Hydro filed an  
27 application proposing the creation of an Electrification Cost Deferral Account specifically for the  
28 deferral of costs relating to electrification initiatives (the “Application”); and  
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30 **WHEREAS** the Application proposes that the Electrification Cost Deferral Account be effective as  
31 of January 1, 2023 to allow for the recovery of costs incurred in 2023 and onwards; and  
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33 **WHEREAS** the Application proposes to transfer to the Electrification Cost Deferral Account the  
34 net book value of \$1.0 million and unamortized contributions of \$0.3 million as of January 1, 2023  
35 for the electric vehicle charging stations approved for recovery in Order No. P.U. 30(2021), along

1 with the annual operating costs and revenue for these charging stations beginning January 1,  
2 2023; and

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4 **WHEREAS** the proposed definition of the Electrification Cost Deferral Account states that the  
5 inclusion of the account in the calculation of Hydro's rate base and the disposition of the account  
6 balance will be subject to a further order of the Board; and

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8 **WHEREAS** the Application was copied to: Newfoundland Power Inc. ("Newfoundland Power");  
9 the Consumer Advocate, Dennis Browne, KC; Hydro's Island Industrial customers: Corner Brook  
10 Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland  
11 and Labrador Limited; the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and  
12 Labrador City; Teck Resources Limited; Iron Ore Company of Canada; and Linde Canada Inc.; and

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14 **WHEREAS** on December 8, 2023 Newfoundland Power supported the Application and observed  
15 that the proposed definition is consistent with Newfoundland Power's Electrification Cost  
16 Deferral Account definition approved by the Board in Order No. P.U. 3(2022); and

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18 **WHEREAS** no other comments were received by the Board; and

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20 **WHEREAS** on December 12, 2023 Hydro requested that the Board approve the Application as  
21 submitted; and

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23 **WHEREAS** the Board is satisfied that the proposed transfer of the net book value and unamortized  
24 contributions as of January 1, 2023 is consistent with the recovery of costs approved in Order No.  
25 P.U. 30(2021) and that the proposed definition of the Electrification Cost Deferral Account is  
26 consistent with Order No. P.U. 33(2022) and that these proposals should be approved.

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29 **IT IS THEREFORE ORDERED THAT:**

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31 1. The Electrification Cost Deferral Account definition, as set out in Schedule A, with an  
32 effective date of January 1, 2023, is approved.

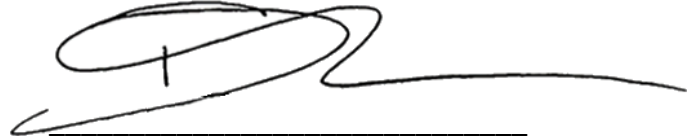
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34 2. The transfer of the net book value and unamortized contributions as of January 1, 2023 for  
35 the electric vehicle charging stations approved for recovery in Order No. P.U. 30(2021) to the  
36 Electrification Cost Deferral Account is approved.

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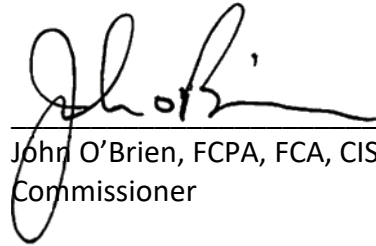
38 3. Hydro shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 19<sup>th</sup> day of December 2023.



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Dwanda Newman, LL.B.  
Vice-Chair



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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Christopher Pike, LL.B., FCIP  
Commissioner



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Jo-Anne Galarneau  
Executive Director and Board Secretary

**Newfoundland and Labrador Hydro**  
**Electrification Cost Deferral Account**

This account shall be charged with the costs incurred in implementing the Customer Electrification Program Portfolio in accordance with Board of Commissioners of Public Utilities (“Board”) Orders and approved electric vehicle charging infrastructure capital costs until otherwise ordered by the Board.

Electrification program costs include: detailed program development, promotional materials, advertising, pre- and post-customer installation checks, incentives, processing applications and incentives, training of employees and trade allies, program evaluation costs and the costs to operate Company-owned charging stations that have been approved for recovery by the Board.

This account shall also be charged with the costs of major studies such as pilot programs, comprehensive customer surveys and potential studies that cost greater than \$100,000.

This account shall be credited with the receipt of funding, contributions or grants, related to deferred electrification program costs and electric vehicle charging infrastructure capital costs, as well as any revenues associated with the operation of Company-owned charging stations that have been approved for recovery by the Board.

The account shall exclude electrification expenditures that are general in nature and not associated with a specific electrification program, such as costs associated with providing electrification awareness, and general planning, research and supervision costs.

The account shall be increased (reduced) by an interest charge (credit) on the balance in the account 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. The account will not be included in the Company’s calculation of rate base until otherwise ordered by the Board.

This account will maintain a linkage of all costs recorded in the account to the year the cost was incurred.

The disposition of the balance in this account will be subject to a further Order of the Board.