

1 **P.U. 14(2006)**
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6 **IN THE MATTER OF** the
7 ***Public Utilities Act,***
8 R.S.N.L. 1990, c. P-47, as
9 Amended (“the *Act*”)
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11 **AND**
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13 **IN THE MATTER OF** the application by
14 Newfoundland Power Inc. (“NP”)
15 for approval of the balance of the weather
16 normalization reserve as of December 31, 2005
17 pursuant to Sections 69(3) and 78 of the *Act*.
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24 **WHEREAS** NP is a corporation duly organized and existing under the laws of the Province of
25 Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to
26 the provisions of the *Electrical Power Control Act, 1994*; and
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28 **WHEREAS** by Order No. 1 (1974) the Board ordered NP to provide a reserve out of its revenue to
29 normalize for the average degree days and to combine the balance in this reserve with the balance in
30 the Hydro Production Equalization Reserve established pursuant to Order No. 32 (1968); and

WHEREAS by Order No. P.U. 19 (2003) the Board ordered NP to amortize the recovery of \$5,600,000 of the balance in the Hydro Production Equalization Reserve over a five year period beginning in 2003; and

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WHEREAS the Board, by previous Orders, approved NP's weather normalization reserves up to and including December 31, 2004, at which time there was a Negative Balance in the reserve of \$10,477,386 and

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WHEREAS NP has reported to the Board that its combined weather normalization reserve as at December 31, 2005 is a Negative Balance of \$10,100,170; and

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WHEREAS on April 26, 2006 the Board forwarded information requests to NP; and

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WHEREAS the Board is satisfied from the Application, Affidavit and the responses to the information requests that the reserve at December 31, 2005 properly reflects the effect that degree days and hydro equalization have had on the operation of NP from January 1, 2005 to December 31, 2005, and the Board's approval of the amortization of the recovery of \$5,600,000 of the balance in the Hydro Production Equalization Reserve over five years beginning in 2003.

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1 **IT IS THEREFORE ORDERED THAT:**

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- 3 1. NP's weather normalization reserve of a Negative Balance of \$10,100,170 as at December
4 31, 2005 is hereby approved.

DATED at St. John's, Newfoundland and Labrador, this 10th day of May 2006.

Robert Noseworthy,
Chair and Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chair.

G. Cheryl Blundon,
Board Secretary.