

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

AN ORDER OF THE BOARD

NO. P.U. 21(2013)

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

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6 **AND**

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8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro for
10 the deferred recovery of 2013 costs associated
11 with its 2013 energy conservation plan.

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14 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
15 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
16 and is also subject to the provisions of the *EPCA*; and

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18 **WHEREAS** in Order Nos. P.U. 13(2010), P.U. 4(2011) and P.U. 3(2012) the Board approved
19 Hydro’s applications for the deferred recovery of the costs incurred by Hydro in association with
20 its energy conservation plan in 2010, 2011 and 2012 respectively; and

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22 **WHEREAS** on January 14, 2013 Hydro filed an application with the Board requesting approval
23 of the deferred recovery of the 2013 costs to be incurred by Hydro in association with its energy
24 conservation plan in 2013 which are estimated to be \$1,950,000 (the “Application”); and

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26 **WHEREAS** the Application was circulated to Newfoundland Power Inc., the Industrial
27 Customers and the Consumer Advocate and the Board requested comments on the Application
28 by January 24, 2013; and

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30 **WHEREAS** the Industrial Customers and Newfoundland Power advised that they did not have
31 comments and the Consumer Advocate did not submit any comments; and

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33 **WHEREAS** on February 5, 2013 the Board issued a Request for Information seeking further
34 explanation in relation to Hydro’s proposed deferral of the 2013 energy conservation plan costs
35 given Hydro’s expressed intention to file a general rate application with a 2013 test year; and

1 **WHEREAS** on February 12, 2013 Hydro responded to the Request for Information stating that
2 Hydro is proposing to defer recovery of its 2013 costs until such time as a new test year is
3 implemented; and

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5 **WHEREAS** on April 4, 2013 the Board received a direction from Government pursuant to
6 section 5.1 of the *EPCA* that Hydro's general rate application would be based on a 2013 test
7 year; and

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9 **WHEREAS** the Board finds that it is not appropriate to approve deferral of 2013 costs which
10 should be considered as a part of the 2013 test year revenue requirement.

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12 **IT IS THEREFORE ORDERED THAT:**

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14 1. The deferred recovery of the 2013 costs related to the energy conservation plan,
15 estimated to be \$1,950,000, is not approved.
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17 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 27th day of May, 2013.

Darlene Whalen, P.Eng.
Vice-Chairperson

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Sara Kean
Assistant Board Secretary