

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

AN ORDER OF THE BOARD

NO. P.U. 11(2015)

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*”), as amended, and regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland Power Inc. for an Order of the Board
9 approving the balance in the Weather Normalization
10 Reserve as of December 31, 2014 pursuant to
11 sections 69(3) and 78 of the *Act*.
12
13

14 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly
15 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public
16 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and
17

18 **WHEREAS** by Order No. P.U. 1(1974) the Board ordered that Newfoundland Power create a
19 Weather Normalization Reserve to normalize purchased power costs for variations in
20 hydroelectric production caused by varying levels of precipitation, as well as any variations in
21 kilowatt hours sold and purchased caused by varying temperatures and wind speed; and
22

23 **WHEREAS** by Order No. P.U. 13(2013) the Board approved the amortization over three years
24 of the outstanding 2011 year-end balance due to customers in the Weather Normalization
25 Reserve of approximately \$5.0 million; and
26

27 **WHEREAS** by Order No. P.U. 13(2013) the Board also approved Section 11(8) of the Rate
28 Stabilization Clause which requires that on March 31st of each year, beginning in 2013, the Rate
29 Stabilization account shall be increased (reduced) by the balance in the Weather Normalization
30 Reserve accrued in the previous year; and
31

32 **WHEREAS** Newfoundland Power has reported to the Board that its Weather Normalization
33 Reserve as of December 31, 2014 has a positive balance of \$1,640,357; and

1 **WHEREAS** the Board is satisfied that the Weather Normalization Reserve at December 31,
2 2014 properly reflects the normalization of variations in revenue and expenses caused by
3 meteorological conditions during 2014 and the amortization approved in Order No. P.U.
4 13(2013).

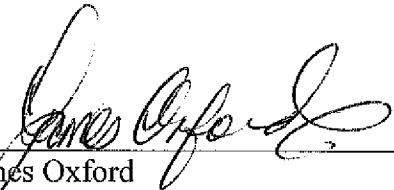
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6
7 **IT IS THEREFORE ORDERED THAT:**

- 8
9 1. Newfoundland Power's Weather Normalization Reserve of a positive balance of
10 \$1,640,357 as of December 31, 2014 is approved.
11
12 2. Newfoundland Power shall pay all costs and expenses of the Board in connection with
13 this Application.

DATED at St. John's, Newfoundland and Labrador, this 2nd day of April 2015.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary