

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

AN ORDER OF THE BOARD

NO. P.U. 24(2024)

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 Power Inc., pursuant to
9 Order No. P.U. 20(2024), for approval of its
10 2024 forecast average rate base, 2024 rate
11 of return on rate base, and deferred recovery
12 of a 2024 revenue shortfall.
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15 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized
16 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility
17 within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and
18

19 **WHEREAS** in Order No. P.U. 20(2024), the Board did not approve the proposals in Newfoundland
20 Power’s Return on Rate Base Application and ordered that Newfoundland Power may file a
21 revised application, with no rate increases for customers, reflecting a revised rate of return on
22 rate base of 6.67% for 2024, updates to the 2024 forecast average rate base, the use of
23 Newfoundland Power’s 2023 Excess Earnings Account balance to offset a portion of the revenue
24 shortfall and the deferral of the remaining revenue shortfall; and
25

26 **WHEREAS** on September 26, 2024 Newfoundland Power filed an application (the “Application”)
27 in accordance with the directions in Order No. P.U. 20(2024) requesting approval of:

- 28 (i) A 2024 regulated rate of return on rate base of 6.67%, in a range of 6.49% to 6.85%;
29 (ii) A 2024 forecast average rate base of \$1,362,753,000, which incorporates 2023 actuals
30 and the 2024 capital budget approved in Order No. P.U. 2(2024);
31 (iii) Deferred cost recovery of a 2024 revenue shortfall of \$9,000,000, with transfer of the
32 amount to Newfoundland Power’s Rate Stabilization Account (“RSA”) on December
33 31, 2024; and
34 (iv) Transfer of the balance in the Company’s Excess Earnings Account as of December 31,
35 2023 of \$5,368,122 to the RSA on December 31, 2024, which serves to partially offset
36 the 2024 revenue shortfall amount; and

1 **WHEREAS** the Application was circulated to Newfoundland and Labrador Hydro (“Hydro”) and
2 the Consumer Advocate, Dennis Browne, KC; and

3
4 **WHEREAS** on October 7, 2024, Hydro advised it had no comments on this Application, and no
5 other comments were filed; and

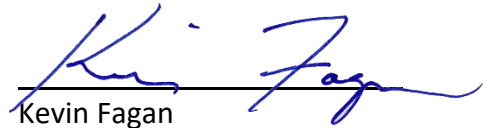
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7 **WHEREAS** on October 9, 2024, Newfoundland Power requested that the Board approve the
8 Application as filed; and

9
10 **WHEREAS** the Board is satisfied that the proposals included in the Application are in accordance
11 with the directions provided by the Board in Order No. P.U. 20(2024) and should be approved.

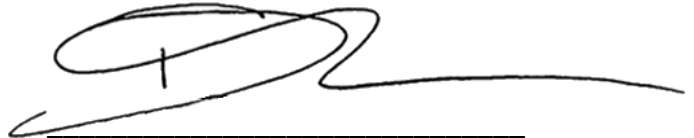
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13
14 **IT IS THEREFORE ORDERED THAT:**

- 15
16 1. A rate of return on average rate base for 2024 of 6.67%, in a range of 6.49% to 6.85% is
17 approved.
18
19 2. A forecast average rate base for 2024 of \$1,362,753,000 is approved.
20
21 3. Deferred cost recovery of a 2024 revenue shortfall of \$9,000,000 is approved.
22
23 4. Transfer of the 2024 revenue shortfall of \$9,000,000 to the Rate Stabilization Account on
24 December 31, 2024 is approved.
25
26 5. Transfer of the balance in the Excess Earnings Account as of December 31, 2023 of
27 \$5,368,122 to the Rate Stabilization Account on December 31, 2024 is approved.
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29 6. Newfoundland Power shall pay the expenses of the Board arising from this Application.

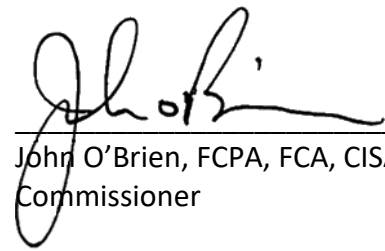
DATED at St. John's, Newfoundland and Labrador, this 15th day of October 2024.



Kevin Fagan
Chair and Chief Executive Officer



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary