

February 19, 2026

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: Colleen Jones  
Assistant Board Secretary

Dear Ms. Jones:

**Re: Application for Approval of Balance in Weather Normalization Reserve**

Please find enclosed Newfoundland Power Inc.'s (the "Company") application for approval of the balance in the Weather Normalization Reserve (the "Reserve") as of December 31, 2025. Schedule A to the Application, *Weather Normalization Reserve: Calculation of 2025 Balance*, shows the operation of the Reserve for the period January 1, 2025 to December 31, 2025, including the year-end balance.

The Reserve includes both degree day normalization and hydro production equalization. Degree day normalization adjusts revenue and purchased power expense for the impact of abnormal degree days and wind speed. Hydro production equalization adjusts purchased power expense for the impact on natural stream flows caused by variations in precipitation.

The balance in the Reserve as of December 31, 2025 is a debit balance of approximately \$4.0 million, which reflects an amount owing to the Company from customers. In accordance with the Rate Stabilization Clause, this amount will be debited to the Rate Stabilization Account balance as of March 31, 2026.

If you have any questions on the enclosed, please contact the undersigned.

**Newfoundland Power Inc.**

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 853-6251 • FAX (709) 737-2974 • [sdonovan@newfoundlandpower.com](mailto:sdonovan@newfoundlandpower.com)

Board of Commissioners  
of Public Utilities  
February 19, 2026  
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Yours truly,



Siobhan Donovan  
Manager Regulatory Affairs

Enclosures

ec. Shirley Walsh  
Newfoundland and Labrador Hydro

Adrienne Ding  
O'Dea Earle Law Offices

**Newfoundland Power Inc.**

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PHONE (709) 853-6251 • FAX (709) 737-2974 • [sdonovan@newfoundlandpower.com](mailto:sdonovan@newfoundlandpower.com)

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

**IN THE MATTER OF** an application by Newfoundland Power Inc. for approval of the balance in the Weather Normalization Reserve as of December 31, 2025 pursuant to sections 69(3) and 78 of the Act.

**TO:** The Board of Commissioners of Public Utilities (the “Board”)

**THE APPLICATION OF Newfoundland Power Inc. SAYS:**

**A. Background**

1. Newfoundland Power Inc. (“Newfoundland Power”), a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. By Order No. P.U. 32 (1968), the Board ordered, in effect, that Newfoundland Power maintain a reserve to which it must credit or debit the value of energy generated by its hydro plants in years when total precipitation is above or below average (“hydro production equalization”).
3. By Order No. P.U. 1 (1974), the Board ordered, in effect, that Newfoundland Power maintain a reserve to normalize its revenue and power purchases to reflect the effects of abnormal weather. The Board subsequently approved the inclusion of adjustments for cooling degree days in June 1985 and wind speed in March 1995 (collectively, “degree day normalization”). The Board further ordered in Order No. P.U. 1 (1974) that Newfoundland Power combine degree day normalization with the hydro production equalization in a single reserve (the “Weather Normalization Reserve”).
4. By Order No. P.U. 13 (2013), the Board ordered, in effect, that Newfoundland Power’s Rate Stabilization Clause provide that, on March 31<sup>st</sup> of each year, the Rate Stabilization Account shall be increased (or reduced) by the balance in the Weather Normalization Reserve accrued in the previous year.

**B. 2025 Weather Normalization Reserve Transfer**

5. Schedule A to this Application, *Weather Normalization Reserve: Calculation of 2025 Balance*, shows (i) the calculated balance in the Weather Normalization Reserve at December 31, 2025 and (ii) a summary of the debit and credit transfers to the Weather Normalization Reserve by virtue of hydro production equalization and degree day normalization during 2025.
6. The net debit transfer to the Weather Normalization Reserve for 2025, which reflects the combined effect of hydro production equalization and degree day normalization, as shown in Schedule A to this Application, was \$5,764,777 before related income tax effects.
7. The net effect of the 2025 transfers after related income tax effects is a debit balance in the Weather Normalization Reserve as of December 31, 2025 in the amount of \$4,035,344. This represents a balance owing to Newfoundland Power from customers.

**C. Procedural Matters**

8. Schedule A to this Application properly reflects the effect that hydro production equalization and degree day normalization have had on Newfoundland Power's operations, and all adjustments and transfers have been made in accordance with Board orders and approvals relating to the Weather Normalization Reserve.
9. As the transfers summarized in Schedule A to this Application are made in accordance with Board orders and approvals, Newfoundland Power submits that public notice and hearing into this Application is not necessary for the protection of the public interest.
10. Communications with respect to this Application should be forwarded to the attention of Siobhan Donovan, Manager Regulatory Affairs at Newfoundland Power.

**D. Order Requested**

11. Newfoundland Power requests that the Board make an order approving, pursuant to Sections 69(3) and 78 of the Act, a debit balance in the Weather Normalization Reserve of \$4,035,344 after related income tax effects as of December 31, 2025.

**DATED** at St. John's, Newfoundland and Labrador, this 19<sup>th</sup> day of February, 2026.

**NEWFOUNDLAND POWER INC.**



Siobhan Donovan  
Manager Regulatory Affairs  
Newfoundland Power Inc.  
P.O. Box 8910  
55 Kenmount Road  
St. John's, NL A1B 3P6

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

**IN THE MATTER OF** an application by Newfoundland Power Inc. for approval of the balance in the Weather Normalization Reserve as of December 31, 2025 pursuant to sections 69(3) and 78 of the Act.

**AFFIDAVIT**

I, Brian Menchenton, of the City of St. John’s in the Province of Newfoundland and Labrador, professional accountant, make oath and say as follows:

1. That I am Director, Business and Regulatory Affairs of Newfoundland Power Inc.
2. That I have read and understand the foregoing application.
3. To the best of my knowledge, information and belief, all matters, facts and things set out in the Application are true.

**SWORN TO**, at City of St. John’s in the Province of Newfoundland and Labrador this 19<sup>th</sup> day of February, 2026:



Barrister – Newfoundland & Labrador



Brian Menchenton

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**Weather Normalization Reserve:  
Calculation of 2025 Balance**

**February 2026**

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## A. 2025 Weather Normalization Reserve Balance

Appendix A to this report shows a summary of the debit and credit transfers to the Weather Normalization Reserve to reflect both degree day normalization and hydro production equalization during 2025. In addition, Appendix A shows the calculation of the debit balance of \$4,035,344 in the Weather Normalization Reserve as at December 31, 2025. This amount represents the total transfers to the reserve in 2025 of \$5,764,777 reduced by the related income tax effects of \$1,729,433.<sup>1</sup>

## B. Degree Day Normalization Calculations

For each weather sensitive rate class, and each of Newfoundland Power's eight operating areas, the number of units of abnormal weather is multiplied by the corresponding coefficient for each applicable weather variable to determine the resulting adjustments to kilowatt-hour sales and kilowatt-hour purchases for each month.

Appendix B to this report shows the annual kilowatt-hour sales adjustments for each of Newfoundland Power's areas with the corresponding revenue adjustments. The rates used in deriving revenue adjustments are base rates which exclude the rate stabilization and municipal tax adjustments. The revenue adjustments for 2025 were derived from the base rates used in calculating the final rates charged to customers from January 1, 2025 to December 31, 2025.

Appendix C to this report shows the annual kilowatt-hour purchases adjustments by area and the corresponding purchased power expense adjustments. The purchased power rate used in deriving the expense adjustments for January 1, 2025 to December 31, 2025 was 96.98 mills per kilowatt-hour (i.e., 9.698¢ per kWh) during the winter months of December to March and a rate of 33.54 mills per kilowatt-hour (i.e., 3.354¢ per kWh) for the non-winter months. This represents the excess energy block tariff of the wholesale rate excluding the RSP adjustment charged to Newfoundland Power by Newfoundland and Labrador Hydro, approved in Order No. P.U. 1 (2025).

The total of the revenue adjustments shown in Appendix B, less the total of the purchased power expense adjustments shown in Appendix C, net of income tax, is debited or credited to the Weather Normalization Reserve.

The actual degree days and wind speed adjustments used in the Appendices to this report have been taken from data supplied by the Government of Canada. The weather coefficients used in calculating monthly adjustments for the degree day normalization were derived using the methodology approved by the Board on March 29, 1995.

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<sup>1</sup> Transfers to the Weather Normalization Reserve in 2025: \$3,452,342 + \$2,312,435 = \$5,764,777. Related income tax effects: \$1,035,703 + \$693,730 = \$1,729,433. Final balance in the Weather Normalization Reserve for 2025: \$5,764,777 - \$1,729,433 = \$4,035,344.

### **C. Hydro Production Equalization Calculations**

Appendix D shows, on a monthly basis, the average natural stream flows, the actual natural stream flows, and the variation between the two. The monthly variation in thousands of kilowatt-hours (megawatt-hours) is multiplied by the purchased power rate of 96.98 mills per kilowatt-hour (i.e., 9.698¢ per kWh) during the winter months of December to March and a rate of 33.54 mills per kilowatt-hour (i.e., 3.354¢ per kWh) for the non-winter months. The product of those calculations is then added by month to determine the annual purchased power expense adjustment.

The data used in the calculation of the hydro production equalization transfer was taken from measurements and readings made by employees of Newfoundland Power. The average annual natural stream flows (production) effective January 1, 2025 are those provided by Newfoundland Power to the Board on February 21, 2025.

The purchased power expense adjustment related to variations in stream flows shown in Appendix D, net of income tax, is debited or credited to the Weather Normalization Reserve.

<b>Newfoundland Power Inc.</b>		
<b>Weather Normalization Reserve</b>		
<b>January 1 - December 31, 2025</b>		
<b><u>Degree Day Normalization Reserve</u></b>		
Revenue Adjustment		
Heating Degree Days	Appendix "B", Page 1 of 3	9,335,091.41
Cooling Degree Days	Appendix "B", Page 2 of 3	-
Wind Speed Adjustments	Appendix "B", Page 3 of 3	<u>-</u>
Total Revenue Adjustment		<u>9,335,091.41</u>
Less : Purchased Power Adjustment		
Heating Degree Days	Appendix "C", Page 1 of 3	5,882,749.27
Cooling Degree Days	Appendix "C", Page 2 of 3	-
Wind Speed Adjustments	Appendix "C", Page 3 of 3	<u>-</u>
Total Purchased Power Adjustment		<u>5,882,749.27</u>
Net Adjustment (Before Tax)		3,452,342.14
Less: Income Tax @ 30.0%		1,035,702.64
<b>Net Debit (Credit) Transfer</b>		<b><u><u>2,416,639.50</u></u></b>
<b><u>Hydro Production Equalization Reserve</u></b>		
Debit (Credit) Transfer (Before Tax)	Appendix "D", Page 1 of 1	2,312,434.54
Less: Income Tax @ 30.0%	Appendix "D", Page 1 of 1	<u>693,730.36</u>
<b>Net Debit (Credit) Transfer</b>	Appendix "D", Page 1 of 1	<b><u><u>1,618,704.18</u></u></b>
<b>Net Debit (Credit) Transfer to the Weather Normalization Reserve</b>		<b><u><u>4,035,343.68</u></u></b>
Balance of Reserve - December 31, 2024		\$ (2,895,798.07)
Transfer of 2024 Balance to RSA		2,895,798.07
Net Debit (Credit) Transfer		<u>4,035,343.68</u>
Balance of Reserve - December 31, 2025		<u>\$ 4,035,343.68</u>

**Newfoundland Power Inc.**  
**Sales Normalization Adjustment - Heating Degree Days**  
**January 1 - December 31, 2025**

<b>Rate Code</b>	<b>Rate Classification</b>	<b>St. John's</b>	<b>Avalon</b>	<b>Burin</b>	<b>Bonavista</b>	<b>Gander</b>	<b>Grand Falls</b>	<b>Corner Brook</b>	<b>Stephenville</b>	<b>Company Total</b>	<b>Revenue Adjustment</b>
110.00	Domestic	3,080,611	1,720,702	412,618	718,141	886,187	1,362,143	798,423	388,650	9,367,475	\$ 1,119,109.19
112.00	Domestic EH	33,023,860	7,640,243	1,964,378	2,815,934	3,514,800	4,744,324	3,978,120	1,358,050	59,039,709	7,061,665.44
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	-	-	-	32,783	-	-	21,091	-	53,874	4,773.46
211.00	General Service 0 - 10 kW EH	263,803	89,064	30,760	71,474	36,160	69,591	45,093	-	605,945	53,870.63
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	813,877	270,970	80,098	110,175	149,495	205,908	111,398	-	1,741,921	154,813.43
221.00	General Service 10 - 100 kW EH	3,932,116	730,056	-	440,994	396,050	738,684	508,113	165,188	6,911,201	613,629.11
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	3,022,880	-	-	199,681	-	514,020	-	-	3,736,581	303,410.27
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	292,780	-	-	292,780	23,819.88
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>44,137,147</u>	<u>10,451,035</u>	<u>2,487,854</u>	<u>4,389,182</u>	<u>4,982,692</u>	<u>7,927,450</u>	<u>5,462,238</u>	<u>1,911,888</u>	<u>81,749,486</u>	<u>\$ 9,335,091.41</u>





Newfoundland Power Inc. Purchased Power Normalization Adjustment - Heating Degree Days January 1 - December 31, 2025											
Rate Code	Rate Classification	St. John's	Avalon	Burin	Bonavista	Gander	Grand Falls	Corner Brook	Stephenville	Total Company	Purchased Power Adjustment
110.00	Domestic	3,229,191	1,803,732	432,485	752,801	928,869	1,427,854	836,959	407,372	9,819,263	\$ 680,544.40
112.00	Domestic EH	34,616,725	8,008,833	2,059,096	2,951,788	3,684,181	4,972,912	4,169,861	1,423,553	61,886,949	4,241,833.43
158.00	Domestic Reg - Seasonal Op	-	-	-	-	-	-	-	-	-	-
159.00	Domestic EH - Seasonal Op	-	-	-	-	-	-	-	-	-	-
210.00	General Service 0 - 10 kW	-	-	-	34,363	-	-	22,106	-	56,469	3,882.43
211.00	General Service 0 - 10 kW EH	276,540	93,358	32,244	74,925	37,905	72,954	47,271	-	635,197	43,302.33
212.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
213.00	General Service 0 - 10 kW EH	-	-	-	-	-	-	-	-	-	-
220.00	General Service 10 - 100 kW	853,129	284,040	83,961	115,490	156,706	215,839	116,773	-	1,825,938	125,181.93
221.00	General Service 10 - 100 kW EH	4,121,701	765,265	-	462,258	415,150	774,309	532,616	173,153	7,244,452	498,251.58
222.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
223.00	General Service 10 - 100 kW EH	-	-	-	-	-	-	-	-	-	-
230.00	General Service 110 - 350 kVA	-	-	-	-	-	-	-	-	-	-
231.00	General Service 110 - 350 kVA EH	3,168,637	-	-	209,310	-	538,804	-	-	3,916,751	268,772.52
232.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
233.00	General Service 110 - 350 kVA EH	-	-	-	-	-	-	-	-	-	-
234.00	General Service 350 - 1000 kVA	-	-	-	-	-	-	-	-	-	-
235.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	306,896	-	-	306,896	20,980.65
236.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
237.00	General Service 350 - 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
240.00	General Service over 1000 kVA	-	-	-	-	-	-	-	-	-	-
241.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
242.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
243.00	General Service over 1000 kVA EH	-	-	-	-	-	-	-	-	-	-
410.00	Area Lighting	-	-	-	-	-	-	-	-	-	-
		<u>46,265,923</u>	<u>10,955,228</u>	<u>2,607,786</u>	<u>4,600,935</u>	<u>5,222,811</u>	<u>8,309,568</u>	<u>5,725,586</u>	<u>2,004,078</u>	<u>85,691,915</u>	<u>\$ 5,882,749.27</u>





Newfoundland Power Inc. Hydro Production Equalization Transfer (To) From Reserve January 1 - December 31, 2025													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Storage (GWH)</b>													
Beginning of Period	72.996	73.291	67.573	61.753	65.888	66.616	57.758	46.819	38.443	39.199	41.873	67.700	
End of period	73.291	67.573	61.753	65.888	66.616	57.758	46.819	38.443	39.199	41.873	67.700	72.086	
Change	<u>0.295</u>	<u>(5.718)</u>	<u>(5.820)</u>	<u>4.135</u>	<u>0.728</u>	<u>(8.858)</u>	<u>(10.939)</u>	<u>(8.376)</u>	<u>0.756</u>	<u>2.674</u>	<u>25.827</u>	<u>4.386</u>	<u>(0.910)</u>
<b>Production (GWH)</b>	<u>41.657</u>	<u>29.213</u>	<u>48.437</u>	<u>40.276</u>	<u>25.566</u>	<u>17.836</u>	<u>15.127</u>	<u>8.325</u>	<u>6.250</u>	<u>6.253</u>	<u>26.558</u>	<u>45.053</u>	<u>310.551</u>
<b>Actual Natural Flow (GWH)</b>	41.952	23.495	42.617	44.411	26.294	8.978	4.188	(0.051)	7.006	8.927	52.385	49.439	309.641
<b>Average Natural Flow (GWH)</b>	28.500	29.100	40.600	63.600	47.100	26.700	19.700	14.800	26.100	37.500	44.000	39.100	416.800
<b>Gross Variation</b>	<u>13.452</u>	<u>(5.605)</u>	<u>2.017</u>	<u>(19.189)</u>	<u>(20.806)</u>	<u>(17.722)</u>	<u>(15.512)</u>	<u>(14.851)</u>	<u>(19.094)</u>	<u>(28.573)</u>	<u>8.385</u>	<u>10.339</u>	<u>(107.159)</u>
<b>Debit (Credit) Transfer</b>	\$ (1,304,574.96)	\$ 543,572.90	\$ (195,608.66)	\$ 643,599.06	\$ 697,833.24	\$ 594,395.88	\$ 520,272.48	\$ 498,102.54	\$ 640,412.76	\$ 958,338.42	\$ (281,232.90)	\$ (1,002,676.22)	2,312,434.54
Less: Income Tax @ 30.0%	<u>(391,372.49)</u>	<u>163,071.87</u>	<u>(58,682.60)</u>	<u>193,079.72</u>	<u>209,349.97</u>	<u>178,318.76</u>	<u>156,081.74</u>	<u>149,430.76</u>	<u>192,123.83</u>	<u>287,501.53</u>	<u>(84,369.87)</u>	<u>(300,802.86)</u>	693,730.36
<b>Net Debit (Credit) Transfer</b>	<u>\$ (913,202.47)</u>	<u>\$ 380,501.03</u>	<u>\$ (136,926.06)</u>	<u>\$ 450,519.34</u>	<u>\$ 488,483.27</u>	<u>\$ 416,077.12</u>	<u>\$ 364,190.74</u>	<u>\$ 348,671.78</u>	<u>\$ 448,288.93</u>	<u>\$ 670,836.89</u>	<u>\$ (196,863.03)</u>	<u>\$ (701,873.36)</u>	1,618,704.18