

1 **P. U. 12(2007)**  
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6 **IN THE MATTER OF** the  
7 *Public Utilities Act*,  
8 RSNL 1990, c. P-47, as  
9 Amended (“the Act”)  
10

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, 2006  
17 pursuant to Sections 69(3) and 78 of the *Act*.  
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19  
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21 **WHEREAS** NP is a corporation duly organized and existing under the laws of the Province of  
22 Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to  
23 the provisions of the *Electrical Power Control Act, 1994*; and  
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25 **WHEREAS** by Order No. 1 (1974) the Board ordered NP to provide a reserve out of its revenue to  
26 normalize for the average degree days and to combine the balance in this reserve with the balance in  
27 the Hydro Production Equalization Reserve established pursuant to Order No. 32 (1968); and  
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29 **WHEREAS** by Order No. P. U. 19(2003) the Board ordered NP to amortize the recovery of  
30 \$5,600,000 of the balance in the Hydro Production Equalization Reserve over a five year period  
31 beginning in 2003; and  
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33 **WHEREAS** the Board, by previous Orders, approved NP’s weather normalization reserves up to  
34 and including December 31, 2005, at which time there was a Negative Balance in the reserve of  
35 \$10,100,170 and  
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37 **WHEREAS** NP has reported to the Board that its combined weather normalization reserve as at  
38 December 31, 2006 is a Negative Balance of \$11,808,813; and

1 **WHEREAS** the Board is satisfied from the Application and the Affidavit that the reserve at  
2 December 31, 2006 properly reflects the effect that degree days and hydro equalization have had on  
3 the operation of NP from January 1, 2006 to December 31, 2006, and the Board's approval of the  
4 amortization of the recovery of \$5,600,000 of the balance in the Hydro Production Equalization  
5 Reserve over five years beginning in 2003.

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

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9 1. NP's weather normalization reserve of a Negative Balance of \$11,808,813 as at December  
10 31, 2006 is hereby approved.

**DATED** at St. John's, Newfoundland and Labrador, this 10<sup>th</sup> day of May 2007.

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Robert Noseworthy  
Chair and Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chair

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G. Cheryl Blundon  
Board Secretary