

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

**AN ORDER OF THE BOARD**

**NO. P.U. 36(2020)**

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. for approval of a  
9 2021 forecast average rate base and a 2021  
10 rate of return on rate base in accordance with  
11 Order No. P.U. 2(2019).  
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13

14 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized  
15 and existing under the laws of the Province of Newfoundland and Labrador, is a public utility  
16 within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and  
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18 **WHEREAS** in Order No. P.U. 2(2019) the Board determined a ratemaking rate of return on equity  
19 of 8.5% and a common equity component in the capital structure of no more than 45% and  
20 approved the proposed forecast average rate base and rate of return on rate base for 2019 and 2020  
21 and a Schedule of Rates, Tolls and Charges, effective March 1, 2019; and  
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23 **WHEREAS** in Order No. P.U. 31(2019) the Board approved a revised Schedule of Rates, Tolls  
24 and Charges, effective October 1, 2019; and  
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26 **WHEREAS** on November 13, 2020, in compliance with Order No. P.U. 2(2019), Newfoundland  
27 Power filed an application (the “Application”) requesting approval of:

- 28 (i) a 2021 forecast average rate base of \$1,206,106,000;  
29 (ii) a just and reasonable rate of return on rate base for 2021 of 6.65% in a range of  
30 6.47% to 6.83%; and  
31 (iii) continuation of existing customer rates approved in Order No. P.U. 31(2019); and  
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33 **WHEREAS** the Application was circulated to Newfoundland and Labrador Hydro (“Hydro”) and  
34 the Consumer Advocate, Dennis Browne, Q.C. (the “Consumer Advocate”); and

1 **WHEREAS** on November 26, 2020 Hydro advised that it would not be providing comments on  
2 the Application; and

3  
4 **WHEREAS** on November 30, 2020 Grant Thornton LLP, the Board's financial consultants, filed  
5 a report with the Board stating that it did not find any discrepancies in Newfoundland Power's  
6 calculation of its 2021 forecast and pro forma average rate base, return on rate base, rate of return  
7 on rate base, rate of return on common equity and capital structure and concluded that the  
8 calculations were in accordance with Board Orders; and

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10 **WHEREAS** the Grant Thornton LLP report was copied to Newfoundland Power, Hydro and the  
11 Consumer Advocate; and

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13 **WHEREAS** the Board did not receive any further comments or submissions on the Application;  
14 and

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16 **WHEREAS** the Board has reviewed the Application and supporting evidence and is satisfied that  
17 the proposed forecast average rate base and rate of return on rate base for 2021 should be approved;  
18 and

19  
20 **WHEREAS** the Board is satisfied that the rates approved in Order No. P.U. 31(2019) should be  
21 continued as these rates are forecast to yield a 2021 rate of return on rate base and 2021 rate of  
22 return on common equity within the ranges established by the Board.

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25 **IT IS THEREFORE ORDERED THAT:**

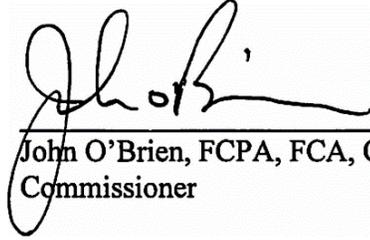
- 26  
27 1. Newfoundland Power's forecast average rate base for 2021 of \$1,206,106,000 is approved.  
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29 2. Newfoundland Power's rate of return on rate base for 2021 of 6.65% in a range of 6.47% to  
30 6.83% is approved.  
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32 3. Newfoundland Power shall pay the expenses of the Board in connection with this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 14<sup>th</sup> day of December, 2020.



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Darlene Whalen, P. Eng., FEC  
Chair and Chief Executive Officer



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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Christopher Pike, LL.B., FCIP  
Commissioner



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Cheryl Blundon  
Board Secretary